

EUROPEAN NEWS

Strike threat overshadows West German pay talks

BY PETER BRUCE IN BONN

WEST GERMANY'S biggest trade union and its most powerful group of employers meet near Frankfurt today in what could be a final face-to-face effort to stop 1987 pay and conditions negotiations degenerating into a national strike.

Tension between the metalworkers union, IG Metall, and the employers, Gesamtmetall has been running high for weeks but has peaked in the past few days after Gesamtmetall applied for a court ruling on whether a series of recent "warning strikes" were legal.

A decision against the union by the Arbitration Court could

lead to a DM 1m (£340,000) fine and its president, Mr Franz Steinkuehler, wrote an angry letter to Mr Werner Stimpfe, the head of Gesamtmetall, on Monday accusing him of trying to sabotage today's talks.

IG Metall has about 1.6m members, and in addition to the traditional pay round this year it is also demanding progress on the introduction of a 35-hour working week from the 38.5 hour average won in a major strike in 1984.

That stoppage brought the entire West German motor industry to a halt for seven weeks and employers have been

warning that while the economy was strong enough to absorb the effects of a strike then, it no longer is.

The union, which argues that shorter working hours create jobs, nevertheless wants a 5 per cent wage rise and 90-minute cut in the working week now and agreement to cut another hour each in 1988 and 1989. The union claims the cut from 40 hours to 38.5 hours in 1984 created 100,000 jobs—the employers say the figure is closer to 20,000.

For about a month now IG Metall members throughout the country have been taking part

in brief stoppages—the warning strikes—in an effort to put pressure on employers. When negotiations on pay and hours broke down in the key state of Baden-Wuerttemberg last week the union began to instruct its members to prepare for a full strike.

Today's talks, which only have a slim chance of achieving anything have been hastily arranged ahead of a formal arbitration process that follows the breakdown of official negotiations.

An arbitrator would have great difficulty bringing the two sides together now, especially

as Mr Steinkuehler, in his first year as IG Metall's youngest ever president (he is 49), has staked his political reputation on winning significant time concessions from employers. So far, the employers have offered a half-hour cut from July 1988 and a 2.7 per cent pay rise which the union has rejected.

Meanwhile, Gesamtmetall's chief executive, Mr Dieter Kirchner, warned at the weekend that failure at today's meeting would have "very serious" consequences for the metalworking industry. Mr Steinkuehler has described it as an "all or nothing" meeting.

Employers have not yet agreed to call for arbitration in Baden-Wuerttemberg, but it is thought that they may do so after today's talks, whatever the outcome. The arbitrator would then be chosen, by drawing lots, between someone proposed by the union and another by the employers. That could happen tomorrow.

The Baden-Wuerttemberg arbitration would set the tone for the whole country. Assuming it began just after Easter, it would have until May 12 to find a compromise. If it does not, then IG Metall can legally ban its members on strike action.

France doubles its programme for motorway building

BY GEORGE GRAHAM IN PARIS

THE FRENCH Government has doubled its motorway construction programme to take its network up to a total of 8,000 km.

Mr Pierre Mabaingetie, Minister for Equipment and Development, said the construction of 2,700 km of motorway by 1995 — 1,500 km more than originally planned—would help to avoid being "put on the sidelines of a Scandinavian-Italy corridor."

The additional motorways now planned will be concentrated on routes avoiding Paris, which currently sits at the centre of the "spider's web." The Paris region will benefit, however, from an acceleration of the plans for new town bypasses and for an outer ring road.



Mr Mabaingetie: keeping France on main road.

The main new motorways will link Geneva to the Atlantic coast via Clermont-Ferrand; Calais to Tours without passing via Paris; Marseille to Grenoble; and open up the Massif Central region.

The loss-making motorway toll companies will receive a capital boost of FFr 2bn (£204m) from the receipts of the Government's privatisation campaign. This will allow the state to divert its operating subsidies to other roadworks

and is expected to help the companies return to profitability by 1995. This in turn will enhance their borrowing power.

Work is expected to begin on 200 km of new motorways this year and on 550 km in 1988. After that, an average of 250 km a year will be started.

Prague PM warms to reform

BY LESLIE COLLITT IN BERLIN

CZECHOSLOVAKIA'S reform-minded Prime Minister, Mr Lubomir Strougal, has spoken out in favour of Soviet style economic and political reforms only a few days after a visit to the country by Mr Mikhail Gorbachev.

Mr Strougal said Czechoslovakia would be making "a fatal mistake" if there were no progress in "democratising our society" and if those who offered it help were not given a chance. Mr Gorbachev's talks with the Czechoslovak leadership had shown there were

many similarities between the "problems and intentions" of the two countries, he said.

Mr Strougal was chairman of the Czechoslovak Government's economic reform under the brief "Prague Spring" of 1968. Afterwards, he alternated between a hardline attitude toward even limited economic reform and a more open approach. Since last year's Czechoslovak party congress, he has often spoken out on the pressing need for "economic restructuring."

The outline of a planned economic reform issued earlier this

year said it would be implemented gradually in coming years. The reform would end so-called administrative management of the economy by issuing directives and replacing it with "economic instruments." Companies are to be given greater autonomy while subsidies to loss-making concerns are to be phased out.

Mr Strougal has been criticised by Mr Vasil Bilak, the chief ideologist of the Czechoslovak Communist Party, indicating a split in the leadership.

Yugoslav industrial output rises

BY ALEKSANDAR LEBI IN BELGRADE

INDUSTRIAL PRODUCTION in Yugoslavia rose by 9.9 per cent in March, compared with February and by 8.5 per cent over March 1986. The quarterly increase was only 2.1 per cent, compared with the first quarter of 1986, as a result of sluggish performance in the first two months.

Exports to industrialised countries rose by 19.6 per cent to \$1,899m, while imports increased by 1.1 per cent to \$1,457m. The share of exports

to hard currency areas increased from 65.5 per cent to 74.5 per cent, while imports from these areas rose from 68.4 per cent to 73.5 per cent.

Exports fell by 8.4 per cent and imports by 14.5 per cent compared with the first quarter of last year. The decline has mainly been in trade with Socialist bloc countries, especially the Soviet Union, and with developing countries.

The exports-to-imports

ratio went up from 73.1 per cent to 82.6 per cent.

Retail prices rose in the first quarter by 22.8 per cent and were 90.8 per cent higher than the level 12 months ago despite rigid price controls.

This year looks set to be a record for strikes, with 400 stoppages in the last three months alone, involving 51,000 workers. Last year was also a record, with 696 strikes involving 60,000 workers out of total workforce of 6.7m.

Court rules Marcinkus arrest warrant legal

BY ALAN FRIEDMAN IN MILAN

A MILAN court has upheld the validity of arrest warrants issued against Archbishop Paul Marcinkus, chairman of the Vatican bank, and two senior bank officials. The three officials of the Istituto per le Opere di Religione (IOR), or Vatican bank, are accused of having been accessories to the fraudulent bankruptcy which led to the collapse in 1982 of the late Roberto Calvi's Banco Ambrosiano.

The fraud which resulted in the Ambrosiano crash. This kind of court judgment was hailed yesterday by one of the key Milan judges who has investigated Archbishop Marcinkus as a "very important step forward." He confirmed that Mgr Marcinkus would stand trial, probably later this year, whether extradited or not.

The judgment, which comes in response to legal objections to the arrest warrants submitted by lawyers for Mgr Marcinkus and the other Vatican bankers, marks an important judicial defeat for the embattled 65-year-old prelate, who risks arrest if he sets foot on Italian soil. His lawyers are expected to appeal.

However, the judgment went well beyond the mere question of whether the arrest warrants were valid legally. The court said that under the 1929 Lateran Pacts between the Italian state and the Holy See, the latter must hand over persons accused of crimes committed on Italian territory.

It actually pronounced its view that on the basis of available material those being sought—Archbishop Marcinkus, Mr Luigi Mannini (the IOR's managing director) and Mr Pellegrino de Strobel (chief accountant)—are guilty as charged of being accessories to

the fraud which resulted in the Ambrosiano crash. This kind of court judgment was hailed yesterday by one of the key Milan judges who has investigated Archbishop Marcinkus as a "very important step forward." He confirmed that Mgr Marcinkus would stand trial, probably later this year, whether extradited or not.

The judgment said that "on the basis of the material provided one can clearly identify the fundamental role of the IOR in the construction by Calvi of hidden operations." It added that there were elements "which appear indicative of a mutual desire to falsify the facts" on the part of the late Mr Calvi and the Vatican bank.

It referred explicitly to the overseas dummy companies which the IOR controlled both directly and indirectly and to which Ambrosiano lent \$1.5m which was never recovered and which led to the bank's collapse.

The upholding of the arrest warrants marks the first legal defeat for the Vatican in what promises to be a lengthy and complex process. So far, the only official statements from the Vatican have been the recent comment from Pope John Paul that the warrants represent "a brutal attack" on Mgr Marcinkus and the Holy See's warning that it would not tolerate "interference" in Vatican affairs.

Budapest plans statue of vanished diplomat

BY MAURICE SAMUELSON

THE HUNGARIAN authorities are to pay tribute next month to Mr Raoul Wallenberg, the Swedish diplomat whose post-war disappearance has remained a bone of contention between Stockholm and Moscow for more than 40 years.

The Budapest Municipal Council last week decided to erect a statue of the Swede who saved thousands of Jewish lives in the closing months of the Second World War.

The life-sized bronze, in a fashionable part of the city, will depict a youthful Mr Wallenberg taking on the SS squads of Adolf Eichmann 48 years ago. It will be dedicated during a conference of the European Executive of the US-based World Jewish Congress, the first to be held in Hungary.

A Budapest street already commemorates the Wallenberg's actions there. But the new statue, by the leading Hungarian sculptor Imre Varga, will have a further potent significance. Four years after the war, the people of Budapest erected a monument in his honour, only to see it demolished by the Stalinist authorities on the eve of its official dedication.

Mr Wallenberg arrived in Budapest in July 1944 on a mission to save as many Jews as possible from the Nazis. To

gether with other neutral diplomats, he issued protective passports and flew his country's flag on buildings in which the Jews took shelter.

On January 17, 1945, he was taken under Soviet "protection" and has never been seen again outside the Soviet Union. In 1967, the Russians—having previously disclaimed knowledge of his whereabouts—said he had died of heart failure in prison during the height of the Stalinist terror. The Swedes have never believed this.



A COMMITMENT TO THE FUTURE.

The creation of an exciting new company on the British truck market brings with it the formidable strength of the most comprehensive range of commercial vehicles available today.

It also brings with it a refreshingly new level of confidence for the industry as a whole.

The highest quality products on the market; the latest manufacturing techniques; the ultimate in back-up and customer service; and a major investment in the UK.

truck industry of £150 million over the next five years.

Levels of excellence and reliability geared to give UK operators the optimum support they need.

Not only in today's market, but also in the markets of the future.

For that is where the new company's commitment lies.

And with its sights set firmly ahead, the outlook for both the operator and the industry couldn't be brighter.

Leyland DAF

FOR FURTHER INFORMATION TELEPHONE: MARLOW (06284) 6955. OR LEYLAND (0772) 421400.

THE FT TENTH WORLD ELECTRONICS CONFERENCE

London, 13 & 14 May, 1987

For information please return this advertisement, together with your business card, to:

Financial Times Conference Organisation
Minster House, Arbur Street, London EC4A 3AX
or telephone: 01-621 1355 telex: 27347 FTCONF G.
fax: 01-623 8814

EUROPEAN NEWS

William Dawkins reports on the muted reaction to Ankara's bid for membership of the European Community
Honour-bound EEC greets Turkish overture with polite dismay

TURKEY'S bid to join the EEC was greeted yesterday with polite resignation by most member states.

The obvious exceptions are Greece, with its long-standing animosity towards Ankara, and Belgium, which is extending a courteous hand towards Turkey in its capacity as chairman of the EEC Council of Ministers.

Despite anxieties over human rights and doubts over the wisdom of starting new membership talks so soon after the admission of Spain and Portugal, all the members know they are honour-bound by the Treaty of Rome to consider any membership application from a European state.

Nonetheless, there was widespread agreement that Ankara's timing was not right, and that the application would pose a dilemma for those countries who would not want to be seen rejecting it for political reasons but felt nonetheless that it was premature.

Yesterday's short ceremony at the elegant Palais d'Emont in Brussels (where Denmark, Ire-

land and the UK signed their entry agreements in 1972) signals the start of a long process of diplomatic agonising between the 12 present member states.

Professor Ali Buzar, the Turkish Minister of State for European Community Affairs, presented to Mr Leo Tindemans, the Belgian Foreign Minister, three letters applying to join the European Economic Community, the European Coal and Steel Community and Euratom — the atomic energy community — which together make up the European Community.

These letters will be presented at the next meeting of Community foreign ministers at the end of this month, though member states are not expected to vote until June on the next step — to ask the European Commission for its opinion. That request needs a simple majority of member states, though unanimous support will eventually be needed if Turkey is to be admitted.

Most member states were yesterday keeping a low profile or how they will handle Turkey's overture, though Denmark, the Netherlands, Britain and West Germany have all expressed views for different reasons. None, apart from Greece, wants to

TURKEY'S Prime Minister, Mr Turgut Ozal, yesterday said that his country could be a full member of the European Community within ten years, but he warned Turks that they must be prepared to bear unwelcome things said about their country during the months ahead.

Amidst a mood which many foreign diplomats lobby to delay the application regard as somewhat out of touch with the Community realities, the Government began to spell out to the public some of the implications of joining.

offend a key strategic neighbour and important member of the North Atlantic Treaty Organisation, yet the practical problems posed by Turkish membership are horrendous. British Foreign Secretary Sir Geoffrey Howe yesterday made clear that the UK expected progress on human rights before it would back the application.

Nobody, least of all Turkey, doubts that the Commission will take a long time to draw up a report, assuming the required majority of member states asks

Mr Ozal said he had no doubts that Turkey's industry would be able to compete inside the Community and that Turkey would offer an important new market for the EEC.

He sidestepped questions about whether Turkey's legal and constitutional situation make it eligible to sign the Treaty of Rome at present, hinting that some changes might be made. Mr Ozal said these changes should be submitted to the Turkish people in a referendum.

It is assumed here that Turkey may have to decentralise Communist and fan-

damentalist Islamic movements and ease its strict controls on the press, unions, and the right to form private associations.

Mr Ozal said that the number of commissioners to which Turkey would be fixed during the negotiations. By the year 2000 Turkey would be substantially more populous than any existing Community member and could plausibly claim three commissioners in Brussels.

Opposition leaders appeared generally opposed to back the Government in the EEC application. There

have been some mutterings about the eligibility of the present Parliament making it. The Parliament was elected under martial law in 1983, with proscription and vetoing of candidates and with 12 out of 15 political parties being barred from standing.

However, as one Social Democratic opposition politician said: "In principle we would object to this Parliament making the application but as we have now recruited a parliamentary group ourselves from among defectors from other parties, it is unlikely to happen."

seriously if it lands on their desks. It might well be an advantage for the EEC to embrace a huge and expanding — gross domestic product up by 5.6 per cent last year — market of 51m people, almost the size of France or the UK.

While bringing Turkey into the Common Agricultural Policy would be financially complex, it would at least remove one large market on which EEC producers can claim export refunds from the Community's hard pressed budget and would not present problems radically different from those already experienced during the admission of the existing southern member states.

Even if the Turkish application gets nowhere, it will give Ankara the chance to put pressure on the EEC for closer political and economic co-operation, says one national official. Aid worth Ecu 600m (£423m) to Turkey has been frozen since 1981, just after the military coup while Ankara has made very slow progress in lifting import tariffs.

If nothing else, says the official, the shock of the application might help Turkey to swing EEC relations in its favour, quite apart from the membership question.

Sweden's trade surplus shrinks

By Kevin Dowd, Nordic Correspondent in Stockholm

THE SWEDISH trade surplus fell to SKr 7,50m (£731m) in the first three months of this year from SKr 9bn in the corresponding period last year. The value of exports rose by 5 per cent, while the value of imports increased by 9 per cent, according to the Swedish Central Office of Statistics.

Excluding oil and ships, exports increased by 3 per cent in value in the first quarter, while imports rose by 13 per cent compared with the corresponding period of 1986. In March alone the trade surplus shrank to SKr 2,55m from SKr 4,13m in March 1986, reflecting a 10 per cent increase in the value of exports and a 22 per cent rise in the value of imports.

The rate of inflation in Sweden is rising again despite the implementation of a price freeze by the Government earlier this year. Consumer prices rose at an annual rate of 3.6 per cent in March compared with an increase of 3.4 per cent in February and 3.2 per cent in January, the lowest 12-month increase in the inflation rate since October 1985.

Prices are still increasing significantly faster in Sweden than in its eight main trading partners. Swedish industrial production, which stagnated at a high level for much of 1985 and 1986, rose to a record level in February with an increase of 2.6 per cent from January. Production was 4.4 per cent higher than in February last year. Industrial production in the three months from December to February was 1.5 per cent higher than in the preceding three months, with the strongest development shown by the pulp and paper and engineering sectors.

Brussels acts on border shopping

BY OUR BRUSSELS STAFF

THE EUROPEAN Commission yesterday launched legal proceedings against Ireland and Denmark over both countries' recent moves to discourage cross-border shopping.

The Brussels authorities have sent warning letters giving Dublin and Copenhagen a month to justify national restrictions on shoppers slipping over their respective boundaries with Northern Ireland and West Germany to take advantage of lower sales taxes.

"These two countries have overruled Community law," said Lord Cockfield, the British Commissioner responsible for the internal market. The Commission is not satisfied with their replies, it will then issue a "reasoned opinion" explaining why Denmark and Ireland are breaking EEC regulations on free trade between member states, following which it could take them to the European Court of Justice.

The Dublin Government declared in its Budget earlier this month that travellers spending less than 600 marks outside the Republic should not be allowed to take advantage of travellers' allowances for the amount of cut-price goods they could bring back.

The aim was to crack down on the estimated £800m of sales a year which the country loses to the North due to cross-border shopping.

Denmark followed a week later with a 24-hour limit, aimed at throttling the DKr 30n (£270m) annually which officials estimate is spent by Danish shoppers in West Germany.

Lord Cockfield is convinced that these restrictions run counter to the EEC directive on border traffic, which makes no such distinction between bona fide travellers and shoppers, though it does have different rules for people living in border areas or working in international transport.

Commission officials recognise that Denmark and Ireland pose a real problem of loss of revenue because of border shopping, but they argue that taking national steps to solve the issue would set a bad precedent in the creation of national barriers to free trade.

The pair should look instead, they argue, to Commission proposals to bring VAT rates throughout the EEC more into line, which would remove the main incentive to take advantage of lower sales taxes for cross-border shopping trips.

Dutch officials said yesterday they did not believe the border traffic directive was intended to permit organised cross-border shopping sprees. Mr Ray MacSharry, Irish Finance Minister, said he was fully confident of the legality under EEC law of his measures.

US recalls Marines over East bloc security fears

BY PATRICK BLUM IN VIENNA

FIVE MARINES employed on security duties at the US embassy here were sent home on Sunday on suspicion that they may have breached security while posted in Eastern Europe.

A spokesman for the embassy said yesterday: "They were sent home on suspicion of having had social contacts with host country nationals while serving at US embassies in the East bloc." Their return was strictly related to activities before their posting in Vienna, he said. "It had nothing to do with anything that they did while serving in Vienna."

He would not say how long they had been in Vienna or from which countries they had come. "They have not been charged with espionage activities," he added. Their return to the US was "part of a continuing review of security procedures at many US embassies which follows the discovery of espionage attempts at the US embassy in Moscow."

Several security reviews at US embassies were on the way, including one requested by the Defence Department which had asked the navy to investigate the selection and training of Marines for US embassy security duties, he said.

Concern in Bonn over radiation increase

By Our Foreign Staff

THE WEST GERMAN Government is seeking clarification from the Soviet Union about an increase in atmospheric radiation which scientists said could be from a Soviet nuclear power plant.

Higher levels of iodine 131 and xenon 133 were detected in the atmosphere over several days in mid-March. Similar increases had been recorded by authorities in Scandinavia and Western Europe.

A Soviet Foreign Ministry spokesman said in Moscow yesterday, however, that no increase in radioactivity had been recorded recently in the Soviet Union.

The Bonn Environment Ministry began closer testing after Swedish reports of higher atmospheric radiation on March 12. The West German authorities also contacted the International Atomic Energy Agency Authority in Vienna for further information.

According to a report prepared for the ministry by the Freiburg-based Institute for Atmospheric Radioactivity, the radiation probably came from some form of minor nuclear accident rather than renewed Soviet nuclear tests.

However, Mr Gemady Gerasimov, the Soviet spokesman, said that if any such increase had been recorded in Scandinavia and Western Europe, "the cause cannot be on Soviet territory."

Mr Sture Nordlander, a radiation inspector at Sweden's National Institute of Radiation Protection, said the radioactivity was at "very low levels" which were not worrying.

He added that the source was unclear but that it could have come from a leak shortly after a Soviet underground nuclear test.

Study sheds light on Nato's neutron arsenal

BY DAVID BUCHAN

MORE than 600 neutron bombs are stored in the US, and a similar number of warheads soon to be deployed in Europe may be easily converted into neutron weapons, according to a British university study published yesterday.

It claims that more than 600 neutron warheads, for both Lance missiles and 268 mm howitzers, were produced by the US and remain stored at the Seneca arsenal in New York State, after European objections in the late 1970s to their

deployment in Europe. They are designed to kill people rather than destroy buildings.

In his study for Bradford University's School of Peace Studies, Mr Dan Plech suggests that the US may be developing some of the new W68 nuclear artillery shells with screw-on modules of tritium to make them into neutron weapons.

The evidence for this seems to rest solely on the repeatedly stated desire of General Bernard Rogers, Nato's European commander, to have such a

rapidly convertible neutron weapon as part of the modernisation of the alliance's tactical nuclear weaponry. Congress has refused funds to produce such a module, but Mr Plech speculates that the US Department of Energy might be making it in a classified programme.

But Nato governments, apart from to some extent the US, have been very selective about their collective 1983 decision to have a less numerous but more modern array of tactical nuclear weapons in Europe.

The British Government, for instance, has been accused by UK opposition parties of failing to inform Parliament of its modernisation programme. But the Ministry of Defence repeated yesterday that "no decision affecting the modernisation of the tactical nuclear weapons in service with British forces has yet been made." British forces in West Germany have long had dual-capable missiles — artillery, able to fire nuclear or conventional warheads.

Business in Europe? You don't have to sit around in London.

With business waiting for you in Europe, you can't afford to wait around in London for connecting flights. The time you waste makes a nonsense of the time you try to save by flying to those important appointments.

Over 100 flights a week to 6 European cities. Fortunately, Air UK serves European cities from ten regional airports in the United Kingdom. Most of our flights are direct, so the shortest route to your European business appointment is almost certainly aboard an Air UK flight. And with over 100 direct flights every week our busy schedule should match your own perfectly.

Fast check-in at 10 regional airports. Because we operate smaller aircraft than some of our giant-sized competitors you'll benefit from quicker check-in, less time boarding and leaving the aircraft, and a more relaxed flight. Benefits that, together with our attentive on-board service, help to

ensure that you arrive fresh, relaxed and ready for business, whilst the competition could be still sitting around in London. Information is available from your travel agent or by phoning Air UK Linkline 0345 666 777 and on Prestel 60647.

- Air UK flies to Amsterdam Bergen
- Brussels Frankfurt Paris Stavanger
- Air UK flies to Europe from Aberdeen Belfast
- Edinburgh Glasgow Humberside Leeds/Bradford
- Newcastle Norwich London Stansted Teesside



Flights from: ABERDEEN, AMSTERDAM, BELFAST, BERGEN, BRUSSELS, EDINBURGH, EXETER, FRANKFURT, GLASGOW, GUERNSEY, HUMBERSIDE, JERSEY, LEEDS/BRADFORD, LONDON HEATHROW, LONDON STANSTED, NEWCASTLE, NORWICH, PARIS, SOUTHAMPTON, STAVANGER, TEESIDE

Form for requesting a timetable and full details of Air UK's scheduled services, including fields for Name, Address, and Postcode.

Advertisement for Korea Electric Power Corporation, featuring a logo, company name, and financial details: US\$50,000,000 Floating Rate Notes due 1993. Includes agent bank information: Lloyds Asia Limited.

Vertical text on the left margin: 'oubles its ne for building', 'arcinkus t legal', 's statue olomat', 'WITH TRONCE'.

OVERSEAS NEWS

India to review Sikhs' cases

The Indian Government offered to review the cases of Sikhs held after the army assault on the Golden Temple in an attempt to revive its stalled peace accord with moderate Sikhs in the northern state of Punjab, Reuters reports from New Delhi.

Allegations of Uganda torture

DETENTIONS without trial, torture and killings of civilians continue under the Government of President Yoweri Museveni, who came to power 15 months ago, promising to end such abuses, a Ugandan human rights group claimed yesterday, AP reports from Kampala.

Tony Blackburn, recently in Conakry, examines a west African country's attempt to regenerate economic growth Guinea samples alternative remedy to malaise

THE WHEEL is turning full circle in the west African state of Guinea where the French are returning in force nearly 30 years after their hurried exit following President Sekou Toure's dramatic "non" to General De Gaulle.



After nearly three decades of independence the former "jewel" of French west Africa has been reduced to one of the world's poorest countries with an annual per capita income of only \$270.

resources, per capita income has sunk to only \$270 a year. Guinea now ranks among the world's poorest countries.

It had been regarded as the "jewel" of French west Africa and as well as being the world's largest basaltic producer, the country has important gold, diamond and iron ore reserves.

The French are better placed than others due to language and historical links, one senior official pointed out. "But care must be taken to prevent Guinea being recolonised."

Aid donors say that such a policy, if strictly applied, would greatly slow down recovery. They are concerned about the Government's failure to meet deadlines for laying off 30,000 of the plethora of 68,000-strong civil servants and to restructure 45 loss-making public industrial enterprises.

Syria sends troops down road to Sidon

About 100 crack Syrian troops were deployed along a strategic coastal highway linking Beirut to south Lebanon yesterday, thus edging closer to Israel's northern borders, Nona Boustany reports from Beirut.

Gandhi's defence

Mr Rajiv Gandhi, India's Prime Minister, and some of his senior ministers and aides yesterday began mobilising support of his ruling Congress party in preparation for a referendum on him by opposition parties in both houses of parliament today.

Iranian factories

A senior Iranian official said yesterday Iran was willing to return factories nationalised after the 1979 revolution to their former owners if they were not accused of serious crimes, Reuters reports.

Andrew Whitley looks at the differences in Israel's coalition over Middle East policy Where Likud, Labour stand on peace process

ISRAEL'S two major political groupings - the Labour alignment and the Likud bloc, coalition partners in a government of national unity since September 1984 - are deeply divided over how best to advance the cause of peace in the Middle East. The contradictions within the Government confuse friends and enemies alike.

Likud is adamantly opposed to a full-scale international conference, described by Mr Shamir as "bad and dangerous" for Israel. Instead, Mr Shamir has suggested a mini-conference of Israel, Egypt, Jordan, the US and, possibly, Morocco.

The two major parties agree that Palestinian representation should be as part of a joint Jordanian-Palestinian delegation, but disagree over who should nominate "authentic representatives" of the Palestinian people.

all the parties to the starting line of negotiations, the outstanding question behind all the preparatory talk is that of territorial compromise. Labour's latest manifesto reaffirms the party's commitment to far-reaching territorial compromise on the West Bank, consistent with Israel's security needs.

Tunisia to invest \$12.5bn in five-year economic plan

TUNISIA intends to invest \$12.5bn during its next five-year economic plan to be launched early next summer. The aim is to create about 250,000 new jobs and to achieve a 4 per cent annual rate of growth, Tunisian officials said in London yesterday.

more than \$300m of aid and concessional finance to help plug the expected \$450m gap needed to service the country's foreign debt and cover its balance of payments deficit this year. The two officials forecast no difficulty in raising the remaining \$150m in the form of commercial credits and buyer/supplier loans.

Iranian factories

A senior Iranian official said yesterday Iran was willing to return factories nationalised after the 1979 revolution to their former owners if they were not accused of serious crimes, Reuters reports.

Township slum is to become a showpiece. Anthony Robinson reports

Pretoria's money pours into Alex

NOWHERE in South Africa is the contrast between white affluence and black poverty more stark than in Alexandra, a sprawling pot-holed slum surrounded by northern Johannesburg's "pink and mauve" belt of prosperous middle class white suburbs.



participation, at a local as well as national level. Interviews with local teachers, church leaders and random residents within Alex itself indicated that people are relieved at the reduction of violence and guardedly optimistic that this time talk of upgrading will result in improved living conditions.

But now, as whites prepare for yet another election dominated by the question of how to accommodate black political and social aspirations without losing white identity and ultimate control, Alexandra has become the symbol of government plans to win black hearts and minds.

For decades the estimated 125,000 inhabitants of Alexandra lived under the same threat of eviction and other "inner-city" black spots which were torn down by bulldozers and their people forcibly removed to Soweto and other townships further afield.

Their freehold property rights were removed in the 1950s, no development of any kind was allowed and the once sturdy bungalow-style houses rotted while sewage flowed down the rutted streets in a township which remained without tar roads, electricity, piped water, or telephones.

Ultimately, however, Alex is being re-developed from above, according to Pretoria's design. The radicals who oppose such paternalism and who say "It is for the people to decide not the Government to decide for the people" may be emasculated now.

Fiercely loyal Little wonder that "Alex," as it is affectionately known by its fiercely loyal inhabitants has a long record of political militancy and resistance to white authority—as well as a history of criminal gang warfare. Alex exploded with Soweto in 1976 and gain over the last traumatic 30 months of black revolt.

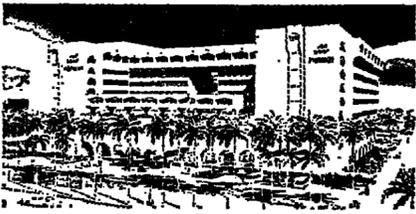
It was here (and in some Eastern Cape townships) that the call of the exiled African National Congress (ANC) to "make the townships ungovernable" came closest to reality. Activists set up street committees and organised a series of burnt policemen's houses and executed "sellouts" and collaborators by gruesome "necklace" murders. Under such pressures the black town council headed by the once popular Rev Sam Bui, who successfully petitioned Pretoria to save Alex from demolition in 1979, resigned in April last year.

Some 2,000 telephones have already been installed—including 22 public phone booths which thus far have not been vandalised in any way. Over 300 acres of land donated by the white Johannesburg city council will also be used to build 760 "elite middle-class

The key test will come when Alex has been rebuilt and extended. Pretoria hopes that it will then elect a black town council capable of running the town—and prepared to fit in with Pretoria's plans for local power and revenue sharing through ethnically based regional service councils (RSCs).

The very soul of France. In the very heart of Heliopolis.

Raised in the land of the Pharaohs and warmed by the everlasting sun of Egypt. The new Meridien Heliopolis welcomes its guests to a treat of luxurious accommodations. Refined cuisine. Attentive service. Le Meridien. Here. In the heart of Heliopolis. Reservations: 2905055 - 2901819. Telex: 23064 Mehel UN.



Le MERIDIEN HELIOPOLIS TRAVEL COMMISSION OF AIR FRANCE Abu Dhabi. Al Khobar. Baghdad. Khartoum. Kuwait. Cairo.

AMERICAN NEWS

Alfonsin calls for coalition to bring in reforms

BY TIM COONE IN BUENOS AIRES

PRESIDENT Raúl Alfonsín of Argentina, who faces crucial mid-term elections in September, has proposed a coalition government as the first step to introducing constitutional reforms.

The proposal was made public on Monday evening during a speech in which he said "we must share power" because "we need to govern with a more substantial majority."

The ruling Radical Party has only a slim majority in the lower house legislature, and has to forge temporary coalitions with smaller parties of the opposition to obtain a majority in the upper house Senate.

Half the seats in the lower legislature come up for renewal in the mid-term elections.

The constitutional reform being proposed by the president would create the post of prime minister heading a cabinet of ministers, leaving the position of president for more ceremonial functions.

President Alfonsín said he wanted the constitutional reform debated this year. If approved by a two-thirds majority in the two legislative chambers there exists a strong possibility that the presidential elections for 1989 would be brought forward one year, with new legislative elections held at the same time.

Such a constitutional change would enable President Alfonsín to continue as the principal government executive, beyond 1989 by filling the new post of prime minister, if the ruling radical party were to win the September elections and the subsequent elections in 1988 or 1989. Under the Argentine con-



Alfonsín—looking forward to elections

stitution, the president is not permitted to serve for more than one term of office.

The radicals are presently negotiating with an important sector of the opposition Peronist Party and trade union movement, to piece together a "social pact" which would guarantee peace on the labour front this year and create favourable expectations for the Radical Party in the September elections.

As part of the negotiations, seats in the legislature are being offered to the opposition Peronists in the Radical's electoral lists, and additional government posts might now also be offered to the opposition to bring about the coalition necessary to push through the constitutional reform.

Last month, a trade union leader was sworn in as the new labour minister in the cabinet, raising questions over the future direction of the government's economic policy.

Grenada government on verge of collapse

By Camille James in Kingston

THE coalition government in Grenada, formed from three parties hurriedly put together by the US and neighbouring Caribbean governments, is heading for collapse following the resignation of leaders of two of the factions.

A year of feuding in the government, during which Mr Francis Alexia, the Attorney General, and Mr George Brizan, the Agriculture Minister, repeatedly attacked the style of government and the policies of Mr Herbert Blaize, the Prime Minister, ended yesterday when both ministers resigned during a cabinet meeting.

Mr Alexia and Mr Brizan had earlier publicly attacked Mr Blaize's intention to sack 1,500 government workers as part of an attempt to balance the budget.

The likely fall of the New National Party (NNP) administration could lead to political uncertainty in the eastern Caribbean island of 100,000 people. Mr Blaize took office 34 months ago after the coalition of three conservative parties, the NNP, scored a handsome win in general elections.

Alexander Nicoll reports on moves to speed up debt negotiations Bankers seek route to cut loan delays

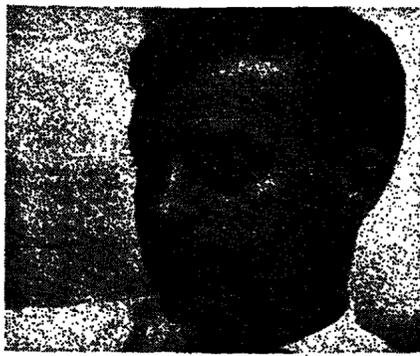
INTERNATIONAL bankers, with the strong encouragement of Western governments, are seeking ways to reduce the frustrating delays which dog their loans to troubled debtor countries in the developing world.

The problem is exemplified by Argentina, which began negotiating with the International Monetary Fund and World Bank last September and reached agreements in January. Thus armed, it approached banks in February for a \$2.1bn loan and \$30m rescheduling. The accord which Argentina announced yesterday must be put to all the countries' 360 lender banks. The whole process, from start to receipt of money, is almost certain to take at least a year.

Argentina says the delays sap confidence in its economy and encourage capital flight. Mexico, which has waited nine months for a \$7.7bn bank loan since it reached agreement with the IMF, has called for greater simplicity and flexibility.

Last week, finance ministers on the IMF's policy-making interim committee urged banks to develop new financing techniques to speed the flow of funds to debtor countries.

Private lenders have often been reluctant to provide funds, even where appropriate policies are in place, they state. The banks at the heart of the crisis have been working on a menu of financing options designed on the one hand to



Nicoll acknowledges obvious flaws in the process.

attract banks by providing a broader range of instruments and on the other to tailor packages to the needs of individual countries.

The menu includes debt/equity swaps, on-lending (transferring existing loans, for a fee, to different borrowers within the debtor country), increased trade credits and so forth. These mechanisms make for greater flexibility and more positive, longer-term

loans outstanding when the debt crisis broke in 1982 should take part in rescue packages in proportion to their exposure at that time, thus helping to protect their loans. New loans that are part of rescue packages essentially go to pay interest, so those that do not take part are getting a "free ride" which embitters those that do.

The Mexican loan was the last straw. After protracted disputes which even saw normally sober British banks temporarily refusing to sign because in doing so they would be bailing out non-participating US regional banks, many bankers say there must be no more packages along the now well-tried lines of the Mexican deal.

Mr John Reed, chairman of Citicorp, the US bank which heads the advisory committee for Brazil, Mexico, Argentina, Uruguay and Peru, acknowledges that there are obvious flaws in the process. But he says: "No-one that I know of has come up with a better alternative."

Some bankers insist that banks with small exposures should continue to be pressed into deals, partly to avoid an ever larger burden being placed on the bigger creditors. They say the best way of keeping banks in is simply to make the terms attractive. The Mexican deal, they argue, was un-

attractive because the advisory committee was forced by official pressure to accept a low interest margin of 15/16 percentage points above money market rates.

However, bankers are discussing a new approach designed to make the process fairer and less cumbersome. Elements of it could be:

● Bringing up to date the base amount of exposure on which requests for new money are calculated. Many banks have sold their loans at a discount in the secondary market. Some of that debt has been officially cancelled in exchange for equity. There was uncertainty about whether the debt/equity arrangements in the Mexican package would enable banks whose debt was cancelled to escape future requests for new loans.

● Stipulating that banks not participating in new loans would not receive interest out of the proceeds of the loans. Instead, their interest payments would be capitalised.

● Offering banks "exit" bonds, as has been proposed by Argentina. These would be offered to smaller creditors at a discount to replace their existing exposure. Bankers say, however, that it is difficult to fashion these in a manner attractive to both borrower and lender.

Foreign purchases of US land soar

BY NANCY DUNNE IN WASHINGTON

FOREIGN investors gobbled up millions of acres of cheap American farm land last year, in a dramatic increase of land purchases over previous years, according to the US Department of Agriculture.

By the end of 1986 foreign interests held 12m acres of US agriculture land, up from 369,000 acres at the end of 1985.

At a time when about 40,000 American farmers are being forced from their lands each year and land values have plummeted, the purchases have raised fear and resentment in some rural areas.

Letters are not yet flooding government departments as they did in the 1970s, when some Americans worried that Arabs would buy up the US economy with their petrodollars. However, the growing visibility of Japanese companies—from Wall Street to midwest factories—has evoked new worries of US vulnerability to foreign takeover.

Sixty governments have been prodded to limit landowning by corporations, and Congress is now considering new proposals, which would restrict foreigners to report their US investments to the Departments of Commerce within 30 days. Forest land accounts for 52

per cent of all foreign-owned acreage, much of it in Maine. Foreign corporations own 10 per cent of Maine's privately owned lands.

Elsewhere foreign holdings are concentrated in the south and west. Foreigners—mostly corporations—owned more than 1m acres in Texas, more than 900,000 acres in California, almost 800,000 acres in Oregon and 608,000 acres in Florida.

Canadians are the largest US landowners with more than 1.5m acres. West Germans have bought 744,000 acres and UK investors, more than 380,000 acres. Japanese own 113,000 acres.

Corporations own 79 per cent of the foreign-held acreage. Some 82 per cent of the owners—corporations and individuals—plan to keep the land in agricultural production.

"The Japanese like to invest in forests and fishing waters so they can be assured sources of raw material," according to Mr Greg Fouché, an accountant with the Commerce Department.

The value of foreign direct investment in the US—in which foreigners hold at least 10 per cent of the vote of an enterprise—has mushroomed from \$85bn in 1980 to an estimated \$209bn last year, he said.

Oil price fall hits Venezuela

VENEZUELA could run a \$1.65bn (£1bn) balance of payments deficit this year with oil prices near government projected levels, according to an economic study. AP-DJ reports from Caracas. The study, conducted by a group of economists at the Andres Bello Catholic university, predicted that unless a "cautious" scenario, the deficit could widen to \$3bn by 1988 if oil prices remain at around \$16 per barrel.

Chilean radio stations seized

GUNMEN briefly seized control of nine Chilean radio stations to spread anti-government propaganda, and one man was killed when he resisted police reports yesterday, AP-DJ reports from Santiago.

The gunmen also took over the Associated Press bureau in Santiago and delivered a statement saying they were ending a truce declared for the visit of Pope John Paul II.

Canada presses for fresh South Africa initiative

BY BERNARD SIMON IN OTTAWA

CANADA wants the world's leading western industrialised nations to make a fresh attempt at pressing for race reform in South Africa.

An official at the Department of External Affairs in Ottawa said yesterday that Mr Brian Mulrooney, the Canadian Prime Minister, has proposed a new "eminent persons group," such as the Commonwealth group which last year failed to shift South African Government attitudes.

Mr Mulrooney intends to raise the matter in Venice next June at the meeting of the G7 economic summit. G7 comprises the US, Britain, France, West Germany, Japan, Italy and Canada.

Preliminary approaches have been made to other governments to include the proposal on the Venice agenda. According to the official, nobody has objected to the idea. Mr Charles Freeman, US

deputy assistant secretary of state for African affairs, visited Ottawa yesterday to discuss the initiative with Canadian officials.

The new group would be a successor to the seven-person Commonwealth Eminent Persons group set up in late 1985 to bring the South African Government and its black opponents to the negotiating table. Its mandate included efforts to secure the release of Mr Nelson Mandela, the imprisoned black nationalist leader, and an end to South Africa's internal state of emergency.

The Commonwealth group appeared to be making some progress before Pretoria abruptly rejected its overtures by launching military raids into Zambia, Zimbabwe and Botswana last May while members of the group were in South Africa.

Yamaichi Securities celebrates its 90th anniversary today.

1897

In 1897, at the dawning of Japan's industrial revolution, Yamaichi, now Japan's oldest securities company, was founded on the motto: "Credibility and trust."

Today

90 years later, the Tokyo Stock Exchange averages a daily turnover of 1.4 billion shares, with recent trading values exceeding \$7.8 billion. The company founded on a commitment to clients now serves customers worldwide with a one-stop source of financial services they need in today's complex and ever-changing markets.

Yamaichi's services range from brokerage, portfolio advice and fund management to innovative corporate finance, leasing, venture capital investment and M&A assistance.

Yamaichi Securities celebrates its 90th anniversary this year. As befits this auspicious occasion, we reaffirm our commitment to securing the best for our clients worldwide. With the continued support of governments, shareholders, clients and employees, we are confident of our ability to build solid foundations on which to respond to the challenges of the future.

- Yamaichi International (Europe) Limited, London
Yamaichi International (Nederland) N.V., Amsterdam
Yamaichi International (Deutschland) GmbH, Frankfurt
Yamaichi (Switzerland) Ltd., Zürich, Geneva
Yamaichi France S.A., Paris
Yamaichi International (Middle East) E.C., Bahrain
Yamaichi International (America), Inc., New York, Los Angeles, Chicago
Yamaichi International (Canada) Limited/Limitée, Montreal
Yamaichi International (H.K.) Limited, Hong Kong
Yamaichi Australia Limited, Sydney
Yamaichi Merchant Bank (Singapore) Limited
Yamaichi Futures Private Limited, Singapore

- Beijing Representative Office
Seoul Representative Office
Melbourne Representative Office
Milano Representative Office
Yamaichi International Capital Management Co., Ltd., Tokyo
Yamaichi Capital Management, Inc., New York
Yamaichi Capital Management (Europe) Ltd., London
Yamaichi Research Institute of Securities & Economics, Inc., Tokyo, London, New York, Hong Kong
Yamaichi Investment Trust Management Co., Ltd., Tokyo, New York
Yamaichi Uni Ven Co., Ltd., Tokyo, Los Angeles

YAMAICHI YAMAICHI SECURITIES CO., LTD.

Head Office: Yaesu 2-chome, Chuo-ku, Tokyo 104, Japan Tel: 03-276-3181 Telex: J22505, 22969, 22995 YAMAYORK

Syria sees troops down to Sidon

to Ak

WORLD TRADE NEWS

American Airlines announces three new daily flights from Europe to America.

Zurich and Geneva to Chicago, Frankfurt to New York and Paris/Orly* to New York.

American Airlines advertisement featuring the AA logo and text: 'American Airlines. The American Airline. For reservations, call your travel agent or nearest American Airlines office.'

Taipei rail consultancy order goes to US

By Robert King in Taipei. A US engineering consortium has won a multi-million-dollar consultancy contract for the Taipei mass transit system.

The agreement with ATC comes amid controversy surrounding the termination of an earlier contract with British Mass Transit Consultants, a British consortium including Freeman, Fox and Partners and London Transport Industries.

Airship group in advertising deal

By Michael Dome, Aerospace Correspondent. AIRSHIP Industries, the UK-based but Australian-controlled group, has signed a \$5m deal with a major Japanese advertising agency for a year's lease of an airship for aerial advertising.

Tokyo mulls retaliatory move on US imports

BY CARLA RAPOPORT IN TOKYO

JAPAN is mulling retaliatory tariffs on US imports if the US goes ahead with plans to impose \$300m (\$214m) in punitive tariffs on Japanese electronic and industrial exports.

Robert King reports on a business boom that looks set to last through to next year Taiwan rides Japanese tide of investment

JAPANESE BUSINESS involvement in Taiwan has played a huge role in this nation's strong economic growth.

While this involvement has a history of more than 20 years, Japanese investment boomed in Taiwan last year and is set to continue at least through the first half of 1988.

During 1986 the Taiwan Government approved \$253.6m worth of Japanese investment applications, up 75 per cent on the previous year and 80 per cent on the \$770.4m total.

SHIPMENTS TO EUROPE Japan 'has gone too far by ignoring cars warning'

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE Japanese have gone too far in the past few months by ignoring warnings about car shipments to Europe, according to Mr Jacques Calvet, president of the Peugeot group of France.

any serious consideration of the Japanese point of view. The US sanctions against Japan, expected to take effect this Friday, were launched in response to the alleged Japanese violation of the bilateral semiconductor agreement signed last autumn.

The US contends that Japanese companies are still dumping chips in overseas markets and that US chip-makers' access to the Japanese market has not improved.

Japan has lagged behind the US in investment. From 1952 to 1986, American investment amounted to \$1.85bn, compared with \$1.38bn for Japan.

about local content for vehicles were not sufficiently clear or specific about what should be included, but 60 per cent European content is not enough for Japanese cars to qualify as "European".

The US Trade Representative's Office said it had no immediate comment on a statement in Tokyo that Japan will appeal to Gatt if President Reagan goes ahead with trade sanctions against Japanese exports, Reuter reports.

More immediately, however, Japan is preparing to take its case against the US to GATT, possibly as soon as this week.

Mr Kobayashi cited Taiwan's economic performance last year, when gross national product in real terms grew by almost 11 per cent; its strong foreign exchange reserves which now stand at more than \$31bn; its almost negligible external debt compared with annual GNP; and the improvement of its business and investment climate as factors that have mobilised recent Japanese investment.

The 36 per cent appreciation of the yen against the dollar over a one-year period, compared with the much milder rise of the Taiwan currency, gave another large boost to investment.

France, Italy and the UK until "the Japanese show a little moderation". Mr Calvet also called on Europe to take action against the South Korean car producers.

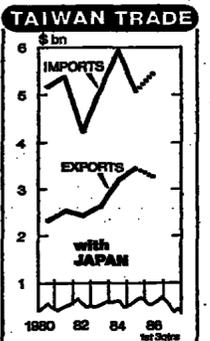
Meanwhile, Japanese electronics industry officials said that US subsidiaries of Japanese companies were considering taking the issue to the US Federal courts.

Another option open to the Japanese is to terminate the semiconductor agreement. This is also being considered by MITI, but Mr Yamamoto said his ministry would be extremely reluctant to recommend such a move.

committing a serious mistake. They had too short a time to reconsider their actions, which is regrettable," said Mr Yamamoto.

Mr Kobayashi cited Taiwan's economic performance last year, when gross national product in real terms grew by almost 11 per cent; its strong foreign exchange reserves which now stand at more than \$31bn; its almost negligible external debt compared with annual GNP; and the improvement of its business and investment climate as factors that have mobilised recent Japanese investment.

French equivalents. The Royal Navy's submarine manpower is more than twice that of the French Navy and, therefore the UK should be in a far better position to provide training and support.



total for the US, for instance, was concentrated in 561 projects, while Japan's smaller figure was spread among 988 investments.

Many of the larger investors that Taiwan had hoped to attract last year stayed in Japan, mostly because cost estimates failed to produce sufficient advantages over manufacturing at home.

Britain still hopes Vickers will win Saudi submarine contract

BY RICHARD JOHNS

BRITAIN is still optimistic that Vickers Shipbuilding and Engineering will win a Saudi Arabian submarine contract despite strong pressure from the French.

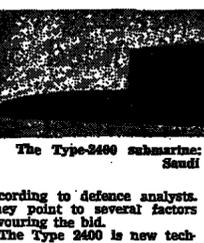
The French Government is expected to use all its persuasive powers to clinch the deal, for which bids have been invited from six European countries, during King Fahd's visit to Paris which starts today.

SHANGRI-LA INTERNATIONAL advertisement: 'IN SINGAPORE WHERE ELSE BUT THE SHANGRI-LA One of the world's best hotels. Shangri-La hotel'.

The bids were invited from six different West European countries last year. VSEL and the French consortium led by Thomson CSF and the state-owned Direction des Constructions Navales with its Agosta 2000 appear to have emerged as front runners.

The chances of the West German group including Howaldtswerke Deutsche Werft and Thyssen-Nordseewerke looked to have been damaged fatally by the renewed debate over arms sales to Arab countries.

It feared again with the visit to Bonn last week of President Chaim Herzog of Israel who publicly attacked the consortium's bid to sell submarines to Saudi Arabia.



The Type 2400 submarine: Britain's challenge in the Saudi stakes.

according to defence analysts. They point to several factors favouring the bid. The Type 2400 is new technology with an efficient and quiet hull derived from the Royal Navy's nuclear submarines. It is destined for 80

AirCal Inc. advertisement: 'U.S. \$30,000,000 5 1/2% Convertible Subordinated Debentures Due 2001'.

NOTICE OF REDEMPTION advertisement: 'To the Holders of ATLANTIC RICHFIELD OVERSEAS FINANCE N.V. 13 1/2% Notes due May 15, 1990'.

NOTICE IS HEREBY GIVEN to the holders of the outstanding 13 1/2% Notes due May 15, 1990 (the "Notes") of Atlantic Richfield Overseas Finance N.V. (the "Company") that, pursuant to the provisions of Section 6 of the Fiscal and Paying Agency Agreement dated as of May 15, 1982 among the Company, Atlantic Richfield Company (the "Guarantor"), and Morgan Guaranty Trust Company of New York (the "Fiscal Agent") and Paragraph 7 of the Terms and Conditions of Notes, the Company has elected to redeem on May 15, 1987 all of the outstanding Notes at a redemption price of 101.5% of the principal amount thereof plus accrued interest to the redemption date.

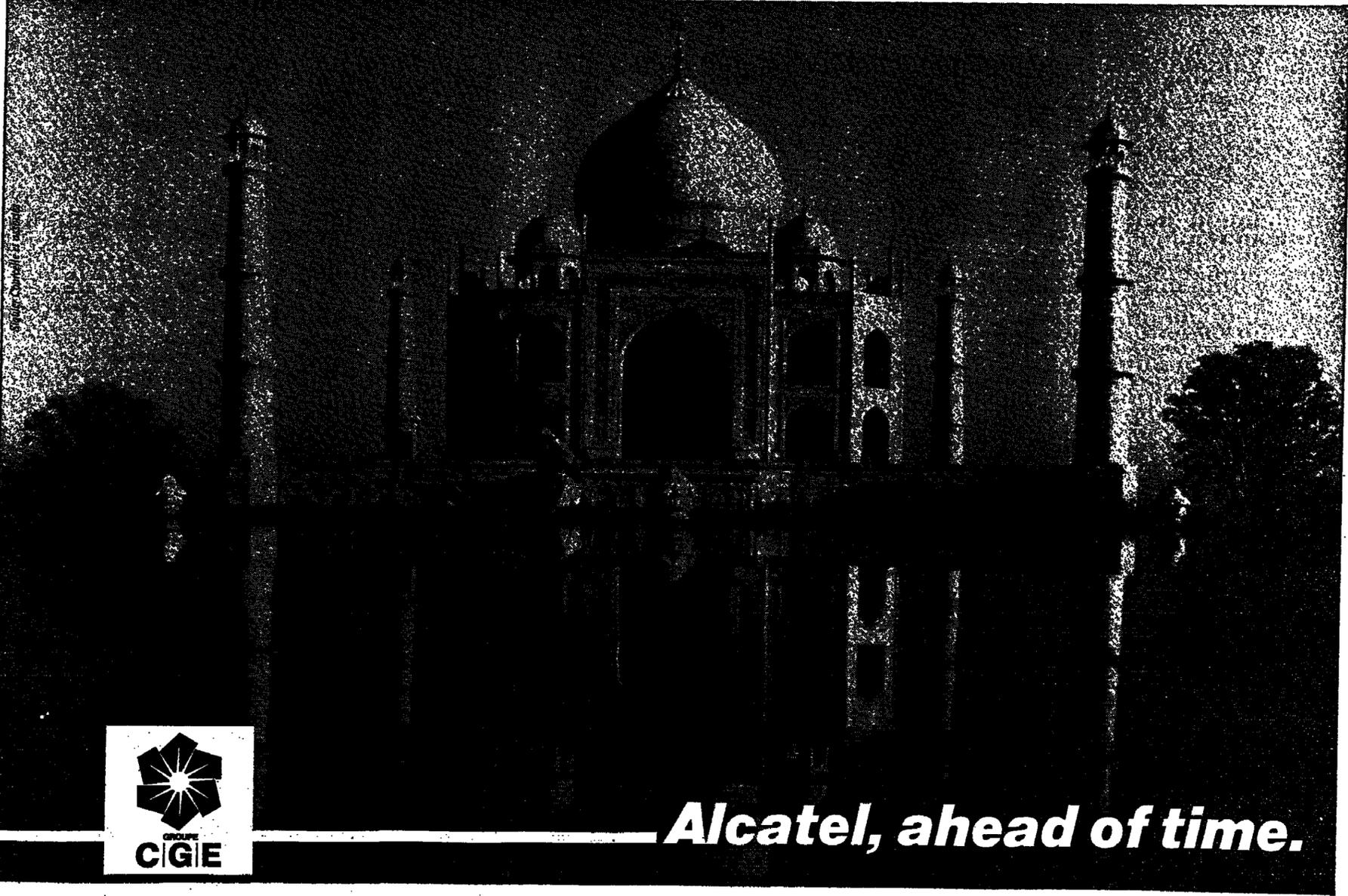
Any payment made within the United States or transferred to an account maintained by a non-U.S. payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding at a rate of 20% if payee is not recognized as exempt recipient.

Alcatel

Alcatel CIT

India. April 1987: the 150,000th line of Alcatel E10 system is produced by the Indian Telephone Industries Ltd (ITI) factory in Mankapur.

57 countries around the world have preferred the Alcatel E10 digital Switching system and 15,000,000 subscribers are connected to this system.



Alcatel, ahead of time.

TECHNOLOGY

Valve makers switch on to a flow of fresh ideas

TO ANYONE other than a connoisseur of fluid engineering, the 746 valve does not look hugely different from any other device for controlling the flow of a gas or liquid.

But for Bailey Birkett, a subsidiary of IMI, the diversified UK engineering company, the valve is special. It represents a series of solid achievements resulting from a £3.75m programme in computerised design and manufacturing.

The company, with 320 employees and annual sales of £10m, is one of Britain's leading valve manufacturers. The market, worth some £400m a year in the UK, is highly compartmentalised, with different companies excelling in separate niches of the business.

The devices come in a bewildering range of types and sizes, and are used in applications ranging from central heating systems to nuclear power stations.

Five years ago, Bailey Birkett decided to update its production facilities. According to Mr Graham Rabagliati, Bailey Birkett's production director, the company had become aware that it "had to do something" to turn out goods at lower costs and also to reduce lead times between design and manufacture.

The answer, managers reasoned, lay in computerised production techniques, together with other measures to reduce costs. The most visible of these was a reduction in the workforce, by about 80 people, during a time when output stayed roughly constant.

The 746, which generally is made in cast iron and sells for £100 to £300, depending on size, is the first significant result of the modernisation programme.

From the first drawings to initial production took about a year, roughly half the comparable time for previous new products, according to Mr Ken Jones, applications and marketing manager.

Bailey Birkett says that more precise design techniques, due to the use of computers, means that reliability should be improved, as there is a lower likelihood of moving parts rubbing on each other.

According to the company, the design of the valve, which will be sold mainly to manufacturers of industrial boilers

Peter Marsh explains how manufacturing efficiency has been improved through the use of computerised production techniques

and the process industries, is such that it can handle especially large flows.

At the same time, the cost of making the device, compared with a previous model for similar purposes, has dropped by some 30 per cent. The new production systems "have made us more competitive in the market place," says Mr Jones.

Bailey Birkett, which says it is too early to see any effect of the computer techniques on sales figures, is not alone in the UK valve industry in bringing in new ideas to make what are highly traditional products.

While the basic shape of valves, which are normally assembled from a few cast and machined metal parts, has barely changed in recent decades, tougher competition, brought about by increased imports and the general economic downturn, has forced manu-

facturers to rethink their production.

A leader in this area is Hattersley Newman Hender, owned by F. H. Tomkins, which has spent £5m on a computerised manufacturing system at its plant in Ormskirk (see panel). Other major suppliers of valves in Britain include Hopkinson Crane, Rockwell, BTR and Keystone.

At Bailey Birkett, the heart to the new approach is a £250,000 computerised design system, supplied by Applicon, a subsidiary of Schumberger. Roughly half of the company's design office of 10 people have been trained to use this equipment. These people are at the company's Cleckheaton factory in Yorkshire, while machining of parts takes place both at Cleckheaton and at Bailey Birkett's other plant, on the other side of the Pennines in Manchester.

According to Mr Rabagliati, the designs of all new products, which Bailey Birkett brings out at the rate of about three a year, will be done with computers rather than pencils and paper.

With computer techniques, the draughtsmen can experiment with new ideas more rapidly than using the old methods. He thus arrives at a solution to a design problem in less time.

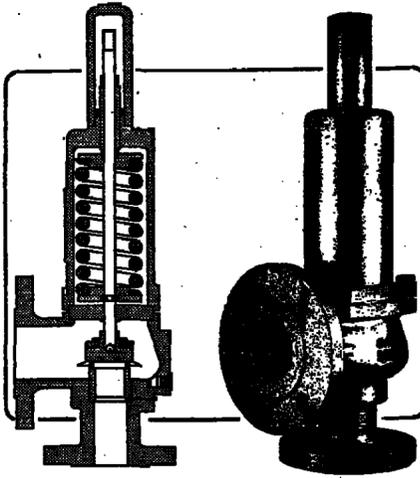
£5m key which unlocked the door to untapped markets

"THE NEW machinery gives us the capacity to compete for contracts that we would not have got before," says Mr Mike Schofield, managing director of Hattersley Newman Hender, as he talks with pride about his company's £5m computerised system which is churning out valves to hundreds of different specifications.

The system, which has just been commissioned, was built with the help of a grant of about £1m from the UK Department of Trade and Industry. It is based on a series of computerised machining centres produced

by KTM, a subsidiary of Vickers. Siemens of West Germany provided the supervisory computers, while metal parts are slotted automatically between the centres on eight automated guided vehicles supplied by Wagner of West Germany.

The machinery, planned for which started in 1982, takes care of 90 per cent of the production of Hattersley Newman Hender's valve bodies, a job which previously required a range of individual machines. The company is one of Britain's top valve makers. Previously part of Pegler-Hattersley, it is now owned by F. H. Tomkins, the



Bailey Birkett's 746 valve: An example of how traditional industrial items can be produced more efficiently and at lower cost with the use of computer-aided design and manufacturing technology.

Having perfected the design of a new part, the draughtsman can channel the resulting software, which contains the essential information on how to produce the component, to a set of machine tools at either the Manchester or Cleckheaton factories.

The software is transferred in the form of paper tape or in an electronic memory, which is

physically connected to the machine tools. Another alternative is to channel the programs to the tools, using a telecommunications link. This involves the use of an electronic interface supplied by Texas Instruments.

In all these cases, says Mr Rabagliati, engineers save valuable time in being able to make, without annoying delays, small changes to the way parts are produced. This is an essential requisite in the valves industry, which is forced to turn out its products in a great many variations to meet customers' needs.

Virtually all machining is done with computerised tools installed largely in the past four years at a cost of some £5m. Bailey Birkett has bought its machines from a range of suppliers, including Gildemeister and Beaver. Metal parts are transferred to the tools for shaping from Bailey Birkett's own casting works.

Switching over to computerisation on the shop floor involved a substantial retraining programme. About 70 of Bailey Birkett's 180 shop-floor workers have received training to use the new computerised tools, while the company's production engineering staff, a total of about ten people, have gone on intensive courses to give them the skills to program the machines.

Agfa and Apple in desk-top venture

RELGIUM-BASED photographic and office equipment group Agfa-Gevaert and Californian microcomputer company Apple are conducting a joint attack on the desk-top publishing market in Europe.

The companies will be offering the Macintosh personal computer (PC) and two recent developments by Agfa, the Macscan high-resolution page scanner and the P400PS non-impact printer.

Suitable software allows the three units to perform as an integrated desk-top system that will produce quickly top quality documents, complete with scanned photographs and diagrams.

Mr David Jones of Apple estimates that for the next year or two, 80 per cent of users will be in in-house operations producing company reports, manuals and similar documents. But he predicts a growing interest from professional publishers.

The component will be available through Apple dealers in Europe. Using Applelink networking software, a local area network, with up to 32 users, can be linked to a single scanner and printer.

NEC's personal view of facsimiles

NEC CORPORATION of Japan believes it has made facsimile communications more of a personal desk-top proposition with its latest machine, the Netax-1A. Costing only £1,699, the unit is 330 mm wide x 250 mm deep x 80 mm high (13 x 10 x 3 inches), and can communicate with all other group two and three machines. It suits page traffic levels of two to 20 pages a day and is aimed at small businesses.

Keeping track of fleet vehicles

IN THE UK, civil engineering group Wimpey and security specialist Securitec have formed a new company, Datatrak Technology, to finalise development of a radio-based vehicle location service on which they have been cooperating for 14 months. The Datatrak system will provide complete cover of England by 1988 and is also expected to have good export potential. It is aimed at fleet operators carrying high-value loads. Datatrak is based on well-

established principles of hyperbolic navigation in which precisely synchronised signals are sent out by pairs of radio transmitters. These, in effect, produce a grid of hyperbolic "lines" on the ground which intersect and can be used to determine position. The coordinates are then sent by VHF radio link from the vehicle to a monitoring centre for display on a map.

Datatrak Technology is based in Swindon. It already has transmitters installed at Romney Marsh, St Neots and Swindon, and expects to be offering a service within London's M25 ring road by mid-summer. Other stations, on the Isle of Wight and at Basingstoke, will complete coverage for the South East of England by the Autumn.

Initially, vehicle systems (the size of a mobile radio) will cost about £1,200, with a service charge of about £50-£60 a month.

IMI
for building products, heat exchange, drinks dispense, fluid power, special-purpose valves, general engineering, refined and wrought metals, 888 pic, Birmingham, England

tion purposes and the end use is not disclosed.

In addition, IMI has signed an agreement with Honeywell in the US for the joint development of a new, high-capacity E.35 inch WORM optical disc. Planned for availability in mid-1987, the system will be able to store 500m bytes or characters per disc, which is about twice as much as IMI's best disc at present. The product is expected to interest those with high capacity document and image storage needs.

To Guernsey with the speed of light

THE WORLD'S largest submarine communications cable using optical fibre without en-route boosters is to be laid between Guernsey and Devon in the UK (85 miles). The contract, worth £1.7m, has been awarded jointly by British Telecom and the Telecommunications Authorities of Guernsey and Jersey, to Standard Telephones and Cables of the UK.

Autodesk quick to back IBM range

QUICK OFF the mark, Autodesk, the San Rafael, California, computer-aided design (CAD) company, is offering a version of its AutoCAD software for the newly announced IBM System/2 personal computer (PC). The software will support both standards of screen resolution offered by IBM and will be available on both the 5.25 and the 3.5 inch disks used in the new range of machines. Autodesk took a lead three years ago to exploit the new capabilities of PCs for CAD. There are now thought to be about 200,000 Autodesk users throughout the world.

Contacts:
Agfa-Gevaert: London office: 592 2131, NEC Business Systems: London office: 287 7000, Autodesk: London office: 528 5252, Datatrak Technology: UK 0783 723014, CPU Peripherals of Woking, UK: 0482 28974.

WORTH WATCHING
Edited by Geoffrey Charles

Big demand for optical storage

INFORMATION STORAGE Inc (ISI), the Colorado Springs optical disc maker in the US, reports a sharp upturn in business and has just signed a "multi-million dollar" second-source agreement with Kawasaki Steel in Japan to make the 5.25 inch WORM (write once read many times) disc drives. ISI's Colorado Springs plant is reported to be working a six-day week with a 40 per cent increase in employees. In Britain, both Fleesay and the Central Electricity Board have bought ISI 5.25 inch optical disc drives from the UK agent, CPU Peripherals of Woking, UK. The drives are for evalu-

Sweden
During recent years, Sweden has become a leading industrial nation. The country's economy is strong and its technology advanced. Euroc is a leading Swedish corporation.

EUROC
Over the next few weeks the Swedish Annual Report Index will highlight key details from the latest annual reports of a series of leading Swedish corporations.

Euroc is the parent company of a group whose principal business is to supply materials, equipment, technology and services to the building and construction industry in Sweden and internationally. Euroc also concentrates on developing and commercially utilizing its special know-how in other fields.

Euroc Group earnings in 1985 were the second highest recorded by the Company in the past 10 years, but did not quite reach 1984's level. The decrease in earnings was largely attributable to the severe winter, and a market downturn in the Middle East.

Euroc's earnings are expected to be higher in 1986.

Group sales in 1985 amounted to SEK 5.4 billion. Markets outside Sweden—primarily Europe, the United States and Asia—accounted for more than half of total sales. International operations include exports of goods produced in Sweden, products manufactured by foreign subsidiaries and the sale of technical know-how, including manufacturing licences.

Euroc companies operate through a decentralized organisation and are grouped into five business areas: Construction Equipment (the Dynapac Group), Building Materials (Abetong, Gyproc, Siporex), Cement and Minerals (Cementa and—internationally—Scancem), Trade (primarily the Euroc Trade Companies Gunnar B Janson, Kocks, Malmo Tra, Paulsons Jarn) and Ceramics and Electro-technics (Ifo Electric, Elram).

To find out more about the corporations featured here send now for your personal copy of their 1986 Annual Report.

Please circle below for your free copies:

- ALFA-LAVAL CARDO
- CARNEGIE EUROCF FFV
- FLÄKT IGESUND Mode
- NOBEL INDUSTRIES
- PERSTORP PROCORDIA SCA
- SKF SANDVIK SKANSKA
- SWEDISH MATCH

Swedish Annual Report Promotion, Box 10020, S-100 55 Stockholm, Sweden. Attach your business card or please print.

Name _____

Title _____

Address _____

City + Area code _____

Country _____

This offer expires Oct 31, 1987

All these securities having been sold, this announcement appears as a matter of record only.

MERCK

Sfr 190,350,000

International offering of
270,000 bearer preference shares
of nominal value Sfr 100 each of

Merck AG

Offer price Sfr 705 per Share

S.G. Warburg Securities

Credit Suisse First Boston Limited Deutsche Bank Capital Markets Limited

IMI Capital Markets (UK) Ltd Morgan Stanley International

Nomura International Limited Shearson Lehman Brothers International

Swiss Bank Corporation International Union Bank of Switzerland (Securities) Limited

S.G. Warburg Soditic S.A.

March 1987

Handwritten signature or mark at the bottom of the page.

APPOINTMENTS

Board changes at Yorkshire Switchgear

Mr David Hargreaves, chairman of Hestair, has taken over the post of non-executive chairman of YORKSHIRE SWITCHGEAR GROUP following the resignation...

to retire later this year. Mr Spencer joins from Reliant Motor where he was managing director.

director of building products for William Cox. Mr David Elliott and Mr David Stanhouse have been appointed directors of CHARTERHOUSE BANK.

LEEMAN METALS and Mr Philip Lynch becomes joint managing director. Also elected to the board are: Mr Michael Turek, New York; Mr Kazumari Sugimoto, Japan; and Mr David Williamson, London.



Mr David Hargreaves, non-executive chairman of Yorkshire Switchgear Group

Following reorganisation the executive directors of QUILTER GOODISON COMPANY will be: Dr Christopher Honeyborne, chief executive; Mr John Brewster, chief administration; Mr Barrie Catchpole, investment policy research; Mr John Cosgrave, stock exchange operations; Mr David Damant, modern portfolio management; Mr Paul KIRK, retail stockbroking; Mr Celia Malesman, fund management; Mr Tony Richards, gross fund management; and Mr David Ridgeon, finance.

Mr Alan R. Fryer has been appointed to the board of SMITH & NEPHEW ASSOCIATED COMPANIES.

CAPE INDUSTRIES has appointed Mr R. N. J. (Bob) Watson as research and development director of Cape Building Products, Uxbridge. He will continue as director / general manager of Cape Boards.

Mr William Johnson, until recently a director of C. & J. Clark, has been appointed a director of MARTIN FORD, becoming managing director of all trading operations.

Mr David Fairfall and Mr Nicholas Selbie have been appointed to the board of KLEINWORT HENSON. Mr Fairfall, an Australian, is managing director of Kleinwort Benson Australia and Mr Selbie, who was with BZW, has joined the Kleinwort Benson corporate finance division.

Mr Christopher Stewart-Smith is joining the board of the CONDER GROUP and will succeed Mr R. T. Cole upon his retirement as group chairman on May 29. Mr Stewart-Smith is a main board director of P & O Steam Navigation and chairman of P & O Cruises.

RELATIONAL TECHNOLOGY has appointed Mr Don Taylor as director of international sales and marketing, based in London. He joins from Atax, France where he was managing director of the computer publishing systems company.

Mr Jeffrey Greenwood will become senior partner of NABARRO NATHANSON on May 1 on the retirement of Mr Terence Rebeby who will become a consultant. On the same date Mr Carl Hopkins, Mr Derek Sandrove, Mr Peter Kempster and Mr Tim Herbert-Smith will be admitted to the partnership.

C. E. HEATH has appointed Mr M. F. Burton as secretary in succession to Mr R. Thompson who is leaving. Mr Burton will retain his responsibilities as chairman of Datastore Holdings and deputy chairman of Peterborough Data Processing Services.

Mr William Johnson until recently a director of C. & J. Clark, has been appointed a director of MARTIN FORD, becoming managing director of all trading operations.

JACQUES VERT has appointed Mr David Tiedeman to his board as an executive director. He was a member of the board of Littlewoods Chain Store Division.

Mr Derek Cook has been appointed deputy chairman of PILKINGTON BROTHERS. He has been a board member of the Pilkington Group since 1964 and was previously the director for flat and safety glass Europe and for the group's fibreglass business. He succeeds Mr Denis Cull who retires in August.

MERIVALE MOORE has appointed Mr Christopher Bone to the main board as finance director. In addition to his new role, Mr Bone will continue his present responsibility for major property and corporate acquisitions.

DISCOUNT BROKERS INTERNATIONAL (UK) has appointed Mr Hugh Hamfrey as managing director. He was with Credit Suisse Buckmaster and Moore where his special responsibilities included new business development.

Mr John Newcombe Haldry has been appointed a non-executive director of HARRISONS & CROSSFIELD.

RACON & WOODROW, consulting accountants, has appointed Mr A. S. Calcutt, Mr D. R. Haldry, Mr S. M. A. St. Ledger-Harris, Ms P. A. Shumson, Mr R. Stenlake, and Mr J. H. Wilson as partners from May 1.

Mr Ritchie Lloyd Spencer has been appointed chief executive of the GRN powder metallurgy division from July 1. He will succeed Mr Ralph Barton who is

Mr John Stannell has been appointed managing director of the recently formed company, SUPER SKY, Aylesbury, who design, manufacture and install custom skylighting systems for large area glazing, using both glass and thermoplastic. He was

Mr David Wood, has been appointed managing director of LASKYS and will be joining the company on April 27. He joins from the Ward White Group where he was managing director of Focus Shoes.

Mr James Coupland has been elected chairman of SEBRARSON

Deputy chairman of Pilkington

Mr Derek Cook has been appointed deputy chairman of PILKINGTON BROTHERS. He has been a board member of the Pilkington Group since 1964 and was previously the director for flat and safety glass Europe and for the group's fibreglass business. He succeeds Mr Denis Cull who retires in August.

Public Notices

PUBLIC NOTICE Proclamation of Sale in the Supreme Court of Bangladesh High Court Division, Dhaka (Admiralty Jurisdiction) ADMIRALTY SUIT NO. 36 OF 1984

In the matter of Small Bank - Plaintiff/Debtors/Defendants/Judgment debtors

SCHEDULE OF PROPERTY Table with columns: Number of Lot, Description of property to be sold, and All shares of above named interest therein.

Holidays and Travel AIR FARES FACTORY WORLDWIDE. LONG HAUL LOW COST

CLASSIFIED ADVERTISEMENT RATES Table with columns: 3 Lines (min 3 cms) Centimetre Colours, Per Line, Per Single.

FRIENDS PROVIDENT LIFE OFFICE NOTICE IS HEREBY GIVEN THAT THE ONE HUNDRED AND FIFTY-FOURTH ANNUAL GENERAL MEETING OF MEMBERS...

1. To receive the accounts for the year ended 31st December 1986 and the reports of the Directors and Auditors thereon.

NOTE: A copy of the Annual Report and Accounts will be forwarded to any Member who makes application for one to the under-mentioned address.

Courses HOME STUDY COURSES FOR BUSY EXECs

Home Study Courses for Busy Execs. Broaden your knowledge at home, at the times that suit YOU. Our courses fit round your timetable. Send for FREE information on the course of your choice. FREEPOST. Course available:

NAME: Address: The School of Accountancy & Business Studies, Department: FREEPOST, 312814 High Street, Sutton, Surrey SM1 1ST.

A FINANCIAL TIMES SURVEY ISLE OF MAN The Financial Times proposes to publish a Survey on the island on TUESDAY MAY 19 1987. For full details please contact: BRIAN HEPSON on 061-234 8381 or write to him at: Alexandra Buildings, Queen Street, Southampton, SO1 2JF. Tel: 070313



Carriages at 2 a.m. It's difficult to say what impresses you most about the Scorpio. The sweeping elegance of its lines, its extraordinary spaciousness, especially in the back, or its abundant power, so smoothly and efficiently delivered. The Scorpio has been built and equipped without compromise. This, the latest Scorpio Executive, features leather upholstery, cruise control and an anti-theft alarm, not to mention a wealth of equipment like the fuel computer and air conditioning. And, as with all models in the Granada family, anti-lock brakes are standard. So, if ever you're faced with a crisis which forces you to stand on the brakes, there's every chance you'll be able to steer out of trouble. To make your journey even more relaxing, there's a 4-speed automatic gearbox with an overdrive top gear, and everything that can be power assisted is power assisted, even the back seat adjustment - all at the touch of a button. Perhaps it's no surprise then, that the Ford Granada family has picked up so many awards, 18 at the last count. Among them was the most prestigious honour of all - European Car of the Year 1986.

T H E F O R D S C O R P I O



UK NEWS

Clive Woolman examines an expert's criticism of investor protection laws

An inside view of the City regulatory system

MR BARRY RIDER leads a double life. Part of his time is spent as head of an international business crime investigation unit, tracking down fraudsters in some of the shadier districts in leading financial centres and tax havens.

But Mr Rider is also one of the UK's leading academic specialists on securities law. His largest published work covers insider dealing, and the laws against it, everywhere from Wall Street to the isolated highland tribes of Papua New Guinea.

His teaching room just off the 12th century hall in Jesus College, Cambridge, is filled with exotic, lethal weapons and other antiques from his travels in the Far East. His windows have been barred to protect the secret company and fraud investigation files he has accumulated along his shelves.

From his standpoint as both a theoretician and a practitioner with experience of several, sometimes violent, confrontations with criminals and governments, Mr Rider is a powerful critic of the UK's investor protection system.

His criticisms are directed at the new City regulatory framework and at the enforcement work of the Department of Trade and Industry and its recent rash of insider dealing investigations.

"The whole point about making insider dealing an offence is to protect public confidence in the fairness of the market," he says.

"The danger is that we are blowing the whistle and making a fuss which highlights the problem, but we are not catching many people. The Government is not convincing the public that everything is OK, just the opposite."

The starting point of his comparison between the UK and US—where the Securities and Exchange Commission has been cracking down on suspected insider dealers with increasing success—is the quality and the image of the regulators.

The Government, he says, has always failed to recruit the right sort of people to regulate financial markets, a situation which is likely to continue.

"You can construct all these institutions but you have to set up a career structure and pay enough and create social incentives," he says. "But from what

I see at Cambridge, it is generally the least ambitious students who go into the DTI and public agencies."

As a result, the DTI, unlike its counterparts in other countries, relies heavily on the work of outside inspectors, usually accountants and barristers, who are appointed for one-off assignments.

"There is no expertise because there is no continuity," Mr Rider says. "You need to work on a few cases to build up a network of contacts and understand, for example, how Stock Exchange bargains are recorded or how you can use nominees. Like the police, the DTI relies on generalists, when what they need is a permanent inspectorate with a real career structure."

In his conversations, Mr Rider combines the originality of an academic and idealism of a crusader with the cynicism of a jaundiced police officer who has seen it all before.

Most people, he believes, are potential white-collar criminals if the opportunities and profits are big enough and the risks small enough. With careful planning, the risks of being caught for a securities offence such as insider dealing are tiny.

No system of enforcement, he says, is likely to track down the crook who deals in London through an offshore nominee and, behind it, an "omnibus account," with 30 to 40 beneficiaries, a Swiss lawyer (who is immune from disclosure provisions) or a shell or phantom bank.

"To shift the calculations of the white-collar criminal the other way, you have to increase the risks and the potential losses of crime by using every device possible."

He supports the high-profile tactics of the US regulatory authorities, in particular Mr Rudolph Giuliani, the US Attorney in Manhattan, with their dramatic arrests and handcuffing of senior Wall Street bankers in their companies' dealing rooms.

"We need a Giuliani in this country to send shivers down your spine if you are hauled in for questioning," he says.

"Instead what we have are these grey and bleak chaps from the DTI and elderly gentlemen like Sir Kenneth Berrill (chairman of the new City watchdog, the Securities and Investments



Barry Rider: "The Government is not convincing the public that everything is OK, just the opposite."

Board). They would not use handcuffs but just telephone to ask for an appointment to see you next week."

Mr Rider cites the work of criminologists who suggest that the arrest is the event which has the greatest impact on the white-collar criminal. "It is the indignity of it when you are subjected to coercion," he says.

Another useful device, he believes, would be the "privatisation" of enforcement actions against insider dealing so that potential wrongdoers would be deterred by more than just the (remote) threat of a criminal prosecution.

For example, a company in whose securities insider dealing took place could be given a statutory right to sue the miscreant and recover damages equal to, say, three times his profit.

In cases where there was clear evidence, a company could be obliged to bring a civil action as a condition of a Stock Exchange listing or, if it failed to do so, any of its individual shareholders could take its place. The attraction of a civil action is that the burden of proof and the rules of evidence and procedure afford less protection to the

wrongdoer.

The other method of tackling insider trading, he says, is to reduce the volume of inside information about companies. He suggests imposing a statutory obligation on company directors to disclose all material price-sensitive information as soon as it occurs.

Many quoted companies would therefore have to supply a steady stream of information about themselves to the Stock Exchange. But what if the information was uncertain or subject to manipulation?

Mr Rider replies: "Once you have gone beyond a well-defined point, you could file a discretionary statement with the authorities. Then at least they can decide what to do and watch market dealings, more carefully."

If the main burden of disciplining insider trading was to fall on the private sector, this would allow the regulators to switch their resources into other areas. Mr Rider's choice is vetting companies and investment businesses which, he thinks, is often overlooked because of its lack of glamour and salience.

For example, the statutory company filings are rarely moni-

tored even though the first symptom of a corporate fraud is often a late filing.

More generally, he is embittered by the lack of resources governments are willing to devote to cracking down on international fraudsters. He recalls one official who was asked to mount a surveillance operation on a Canadian suspect in London but was told he could only use public transport.

As another example, he says there is a mass of documents lying somewhere in one regulator's back office which contain evidence against Mr Irving Kott, another alleged Canadian securities fraudster.

From his "batter room" operation in Amsterdam between 1983 and 1986, Mr Kott is alleged to have taken more than \$200m from unsophisticated investors through the aggressive telephone selling of shares of negligible value at greatly inflated prices. However, the Kott documents cannot be found because the office cannot afford to employ a filing clerk.

In a book just published on the Financial Services Act which he has co-authored, Mr Rider's criticisms of the new regulatory structure are veiled and limited to a few specific areas. But he feels a more general sense of unease.

The report by Professor Jim Gower, now a legal adviser to the SIB, which formed the basis of the new structure, was too much of a one-man show, he thinks. Prof Gower commissioned no studies of investment businesses and did not draw sufficiently on academic research, says Mr Rider.

He draws an analogy with the company code that Prof Gower drew up for Ghana in the 1960s. This was widely applauded as a fine piece of work which would have greatly improved company law in the UK. But in a country with a low rate of literacy and even less administrative experience, it proved inappropriate.

Mr Rider suggests that the new highly complex City regulatory system will similarly fail to be enforced effectively unless more fundamental changes are introduced in the deployment of people and resources.

The Regulation of Insider Trading, E. Rider, L. French (Macmillan, 1979). Guide to the Financial Services Act 1986, E. Rider, D. Chalkin, C. Abrams (GCH).

British Airways spreads its wings in £6bn spending spree

OVER the next few months, newly-privatised British Airways will complete a detailed study of airlines on offer before placing a £1bn order to replace its ageing fleet of 19 Lockheed TriStars.

This follows the order, announced late last year, for 16 Boeing 747-400 Jumbo jets, worth about \$1.5bn, with an option on another 12, for delivery from spring 1989. These will replace the oldest of the airline's 31 Boeing 747s.

Both orders are part of what is expected to be a £6bn re-equipment programme for the airline. This would cover most of its fleet needs through to the mid to late 1990s, and put the airline in the front rank of aircraft buyers.

As a result, the world's aircraft builders are beating a path to British Airways, conscious that few airlines have such ambitious re-equipment plans. It can embark upon such a programme because it has been freed from the kind of control over procurement policies exercised by the Government when the airline was in state hands.

This freedom comes at a time when the airline faces the prospect of substantial expansion—an expected increase in passenger traffic from 18m to around 40m a year by the mid to late 1990s—and when some

Michael Donne on a newly privatised airline's plans for re-equipping its ageing jet fleet

range jet, and its rival, the McDonnell Douglas MD-11. It will need up to 10 aircraft in this category.

At the same time, the TriStar Dash Ones and Dash 50s which have been used on short-to-medium-range routes will also need to be replaced, either by the twin-engine Airbus A-300-600, or the twin-engine Boeing 767. In this category, about nine aircraft will be needed.

Engine choice will be critical. British Airways would prefer to use Rolls-Royce engines if possible, to ensure compatibility with the rest of its fleet, substantially powered by Rolls-Royce.

Since the projected Superfan engine, offered originally by International Aero Engines, has been dropped, the airline will have to accept the Franco-US CFM-56-503 engine in the Airbus A-340 if it selects this aircraft.

It could, however, get the Rolls-Royce RB-211-524D40 engine on the McDonnell Douglas MD-11, if it wanted it. Rolls-Royce is discussing this possibility with McDonnell Douglas and an agreement to offer that aircraft with the Rolls-Royce power-plant may soon be reached.

For the short-to-medium range jets, the choice is more difficult. The A-300-600 used by US General Electric or Pratt and Whitney engines, which British Airways would prefer not to buy.

Last week, however, Rolls-Royce announced a deal with Boeing to put the RB-211 engines on to all versions of the 767, which must strengthen that aircraft's chances of being chosen by the British carrier.

While studying these options, the airline is also looking at what is likely to become available in other aircraft categories. It is happy with its 86 Boeing 737 short-to-medium range jets, which each seat about 188 passengers, and is already buying more.

But one area of concern is the 180-seater category. British Airways does not have such an

aircraft in its fleet, and recognises that it may eventually need one. It has studied the Airbus A-320 but prefers to make no commitments until it sees what Boeing does with its long-planned rival, the 737 twin-engine advanced technology jet, due for service from 1992.

An order in this class of aircraft will again depend on the engine. Boeing is offering the 737 solely as a prop-fan aircraft, following the demise of the Superfan engine.

British Airways, like many other airlines, is cautious about the prop-fan, a revolutionary concept still under development. General Electric claims that during flight tests the engine has demonstrated reliability, fuel efficiency and low noise levels.

At the short-range end of its fleet, in the 100-110 seater category, British Airways has 27 One-Eleven twin-engine jets and 45 Boeing 737-200s. The 737s will not have to be replaced for some time, although the airline may decide to update the fleet with later versions offering better fuel consumption and more advanced technology.

British Airways may buy more 737s anyway, to meet traffic growth on its short-range routes in the UK and Western Europe.

The One-Eleven 100-110

BA is cautious about the revolutionary prop-fan concept

seaters are old—the first entered service in 1964. Although they have been modified over the years, especially to meet noise regulations, British Airways recognises that a replacement will be needed by the early 1990s.

The airline does not consider the One-Elevens can be re-equipped with the latest Rolls-Royce Tay engines, and would prefer something new.

It is assessing the British Aerospace 146 four-engine regional jet, and the Dutch Fokker 100, and would be interested in any 100-110 seater version of the Boeing 737.

With 27 aircraft to replace together with additional jets to meet traffic growth, any order in this category would be substantial.

Join the club. Put your U.S. investments under one roof in our USA Income Portfolio.



If your international investment objectives are high income, low risk and tax minimization, you'll find it worthwhile to consider Merrill Lynch's fully-managed USA Income Portfolio. Merrill Lynch designed this Portfolio under the laws of Luxembourg as a société d'investissement à capital variable for non-U.S. citizens who are not U.S. residents. It offers:

Tax-free status—Non-U.S. investors are exempt from U.S. withholding tax. Experienced management—The Portfolio and your investment is managed full time by Merrill Lynch Asset Management, which is currently responsible for assets of \$75 billion, more money than any other investment firm worldwide. This is not an invitation to subscribe for shares of the USA Income Portfolio. Portfolio subscriptions are received only on the basis of the prospectus, dated February 26, 1987, obtainable from the registered office at 2, Boulevard Royal, L-2953 Luxembourg, Grand Duchy of Luxembourg. Or contact Merrill Lynch International & Co., c/o Merrill Lynch Europe Limited, 27 Finsbury Square, London, EC2A 1AQ, England.

Return this coupon to: Mr. Aladar Nemeth, Merrill Lynch Europe Limited, 27 Finsbury Square, London, EC2A 1AQ, England. Telephone: (01) 382-8854. Name: Address: Tel. (Home): Tel. (Business):

Harness the power of a global presence. Merrill Lynch

VISA Worldwide Sponsor 1988 Olympic Games. CARRIED THROUGHOUT THE WORLD. The Olympic torch passes through many cities and countries on its way to open each new Olympiad. Visa is carried throughout the world and as an exclusive sponsor of the 1988 Olympics is the only card accepted on-site at the Games. When you travel abroad for business or pleasure you can be confident that your Visa Travellers Cheques and Travel Vouchers will be warmly accepted. Lost or stolen cheques can be replaced at over 60,000 places—usually within 24 hours. 5 million locations world-wide will welcome your Visa card for travel, entertaining and shopping. Use Visa—travel confidently. All you need.

UK NEWS

Ward offers to account for £5.2m

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

JUDGMENT is to be given in the High Court in London today in the case brought by Guinness, the brewing company, against Mr Ernest Saunders, the company's former chairman and chief executive.

Mr Saunders and his fellow director, Mr Thomas Ward, have been attempting to rid themselves of temporary court orders obtained against them by the company in connection with a £5.2m fee allegedly paid to Mr Ward for his services during the Distillers takeover at Mr Saunders' instigation.

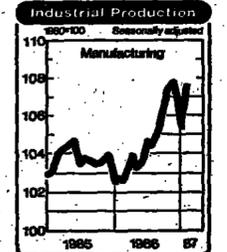
Guinness wanted to verify what had been said by Mr Ward and Mr Saunders about who had benefited from the money. Also, because a substantial part of the money appeared to have been spent, there might be other people against whom Guinness would want to take legal action.

Mr Oliver said that Guinness wanted Mr Saunders' UK assets identified and the freeze on them continued. The company no longer wanted an order that Mr Saunders "repatriate" the £5.2m.

Treasury forecasts 4% jump in manufacturing output this year

BY JANET BUSH

BRITAIN'S manufacturing performance was even stronger in the last months of last year than official figures at the time suggested. The annual rate of manufacturing output growth could now have accelerated to nearly 4 per cent from the rate of 3 per cent seen since last spring, according to government statisticians.



Manufacturing output rose by 2.3 per cent between the two months, with the recovery most marked in the sectors which had been hardest hit by the cold weather - metals manufacturing, mineral products and chemicals.

Poll gives Tories 10 point lead

By John Hunt

A PUBLIC opinion poll carried out by Marplan for the Press Association gives the Tories a 10 point lead, puts Labour in second place but also shows the Liberal Social Democratic Party Alliance gaining considerable support at the expense of Labour.

How much do you really know about SWAPS, EUROBONDS, GILTS, CURRENCY OPTIONS AND FOREIGN EXCHANGE?

Advertisement for 'financial' information and training programmes. Includes a logo, a list of users, and contact information for Financial Limited.

How to set up a cellular mobile telephone system without any government money whatsoever.

Advertisement for Comvik International, describing their cellular mobile telephone systems and listing 7 major advantages.

Advertisement for Comvik International, including a 'Summed up:' section, a coupon for more information, and contact details.



Società Italiana per l'Esercizio delle Telecomunicazioni p.a.

Registered Office in Turin
Share capital Lit. 3,400,000,000 fully paid

Registered at Turin Court n. 191/17 of the Register of Companies

NOTICE CONVENING THE ANNUAL GENERAL MEETING

The Shareholders are hereby notified that the Annual General Meeting will be held in the Conference Room of the Company's Headquarters in Via Bertola 34, Turin, at 9 a.m. on April 30, 1987 and, if necessary, a second meeting will be held on May 22, 1987 at the same time and place, to discuss and resolve upon the following:

AGENDA

1. Board of Directors' Report and Board of Statutory Auditors' Report on the Financial Statements as at December 31, 1986; pertinent motions.
2. Remuneration to Auditors for the financial year 1986.

The Shareholders shall have the right to participate in the Meeting provided that, at least five days before the date established for the Meeting, they have deposited their share certificates with the company's Registered Office, Via San Dalmazzo 15, Turin, or Via Flaminia 189, Rome, or with any other duly-authorized department in Italy.

Such a deposit could be performed as well with the following:

- London: Banca Commerciale Italiana - 42, Gresham Street
Banca di Roma - 14/18, Eastcheap
Credito Italiano - 17, Morgate
- New York: Banca Commerciale Italiana - One Williams Street
Banca di Roma - 100, Wall Street
Credito Italiano - 375, Park Avenue
- Paris: Banca Nazionale del Lavoro - 26, Avenue des Champs Elysées
- Frankfurt am Main: Istituto Bancario S. Paolo di Torino - Schillerstrasse, 26

For the Board of Directors
Michele Giannotta

Gruppo IRI - STET

UK NEWS

Labour forecasts big gains in local elections

BY JOHN HUNT

THE LABOUR PARTY will take control of at least 10 or 12 additional councils in the local government elections on May 7, Mr John Cunningham, the party's environment spokesman, predicted yesterday.

Launching Labour's campaign for the election, he said the party expected to gain control of Trafford in Greater Manchester, Cardiff and Reading. But he said it was very difficult to predict what would happen in Liverpool where prominent supporters of the Trotskyite Militant group have been expelled from the party.

"We are determined to reconstruct a genuine Labour Party in Liverpool," he said. "That process is going on and we are determined to see it through and to see Militant out. That makes it difficult electoral."

With Labour controlling 180 councils compared with the Tories' 152 and the Social Democratic/Liberal Alliance's 11, Mr Cunningham said that the party was now in the strongest position in its history in local government - "we are defending a position of great strength."

The party has gone to great lengths to counter Conservative allegations of "loony left" councils during the campaign. Elaborate preparations have been made and

bits issued to candidates and party workers telling them what issues to campaign on and what techniques to use on the doorstep and in the media.

Job creation and claims that Labour authorities have maintained services in the face of Government cuts in revenue will be the central themes of Labour's campaign.

The party is also anxious to neutralise the effect of allegations from Mr Nicholas Ridley, the Environment Secretary, and Dr Rhodes Boyson, Local Government Minister, that Labour authorities have run up a dangerous level of debts with financial institutions and foreign banks, using their fixed local assets as security.

Mr Cunningham yesterday described these allegations as "preposterous" and "a lie." He said it seemed that it was acceptable to the Conservative Government when the financial resources of the City of London were used for takeovers, but not acceptable when it came to supporting essential services and preserving jobs.

Earlier, on BBC Radio 4, he said: "What local authorities of all political persuasions have done is to use their ingenuity and the ingenuity of the City of London to avoid putting

people on the dole and cutting services."

On the same programme he admitted that publicity about Labour authorities pursuing issues such as gay rights "might be a problem in some places."

The party will be attempting to combat any threat from the Alliance by criticising the record of Liberal-controlled local authorities.

In order to head off "loony left" allegations, the party is issuing a series of bulletins entitled "Best Practice News," highlighting successful Labour innovations in local government with the claim that some of them have been adopted by the Tories.

It is combining this with campaign literature alleging incompetence among Tory-controlled councils and inefficiency and "cover-ups" over the privatisation of services by Conservative councils.

In its detailed instructions, the party includes tips on how to behave during television interviews. One instruction advises: "No ooey on the home you may be offered before you go into the studio. No matter how strong your head, your face will flush and red faces do not inspire confidence among the electorate."

Brussels plans to end VAT zero-rating

By John Hunt

THE EEC Commission is preparing proposals to force the British Government to end zero rating on Value Added Tax (VAT), which would cost the UK consumer an additional \$1.5bn a year, Mr Roy Hattersley, Labour's economics spokesman, claimed last night.

"It would raise enough revenue to get back the money which Nigel Lawson gave away in his budget," Mr Hattersley said. "This proves what we always said about his tax cuts - they are unsustainable and the Government always knew it."

He listed the amounts which would be raised in VAT by abolishing zero rating on various items: food \$3.5bn, fuel \$1.4bn, new construction, including housing, \$275m, newspapers and periodicals \$200m, children's clothing \$25m, books \$90m and children's shoes \$50m.

Mr Hattersley said that Lord Cockfield, the EEC commissioner who was formerly Minister of State at the Treasury in Mrs Thatcher's Government, was playing a leading role in drawing up the proposals and that the plans were almost ready.

It provided an opportunity which the Government could cynically exploit. He said the Treasury was working on the ways in which extra VAT be imposed, and the Prime Minister had "consistently refused to rule out massive VAT increases after the next election if she remains in office."

He said the Commission was not clear whether Lord Cockfield would make a formal proposal to abolish zero rating next month or the month after - before or after a June general election.

"The Government's clear duty is to make its position plain here and now," he said.

Travel chief decides to step down

By David Churchill

MR NEIL SCOTT, the 53-year-old executive chairman of the Owners Abroad travel and airline business, is to resign next month.

The 10-year-old City of London by surprise yesterday as Mr Scott had been the driving force behind the growth of Owners Abroad - Britain's sixth-largest package tour operator - which last month reported a sharp increase in pre-tax profits.

Mr Howard Klein, 47, the new chairman, said yesterday there had been no boardroom row. "After 30 years in the business, Neil has decided to enjoy some of the rewards of his efforts," he said. "But there will be no change in the direction of the business."

In the 10 months to end-October - a shorter period because of a change in accounting systems - the company reported pre-tax profits of \$5.1bn, compared with \$3.1bn in the previous 12 months.

Owners Abroad is also the majority shareholder in a new charter airline company called Air 2000.

Expansion in pipeline

By Ralph Atkins

WATER AUTHORITIES are considering ways to diversify into a range of new businesses if the water industry is privatised, as the Government intends.

Ideas under discussion include the development of marinas, hotels and caravan parks and using gas from sewage for cheap heating.

One authority, Yorkshire Water, which serves about 2m households, has already held in-house seminars to discuss areas which could be developed.

The privatisation of the 10 English and Welsh authorities was postponed until after the general election by the Government in July last year. If the Conservatives return to power, privatisation could come as early as November next year, the authorities believe.

At present, the authorities are limited by law on the activities on which they can spend.

Graduates prefer City salaries to industry's rusty image

BY PHILIP BASSETT, LABOUR EDITOR

"BRITISH industry has the charisma of a rusty kettle." That's the view of one high-flying graduate who is having little difficulty in choosing whether to go into industry, or to the City of London, according to Ms Sidney Smith, personnel vice-president in the UK of the First National Bank of Chicago.

Ms Smith, with others, was trying yesterday at a conference in London organised by the Industrial Society to reply to the question: Is the City Poaching the High Flyers? Her answer was straightforward.

No, because "poaching" implied that they were in, or going into industry until they were diverted by talk of golden hellos, Porthuges and six-figure salaries to the rich pastures of the City. She argued that they were never interested in industry anyway (and that such talk vastly overstated the more gruelling reality of City work).

Speaking for industry, Mr Malcolm Bellin, personnel director of British Steel, gave the figures. Thirty per cent of the graduates BSC takes on are in engineering; in 1985, only - or perhaps as many as - 21 per cent of mechanical engi-

neering graduates joined the financial sector. Economics or business studies graduates comprised 6 per cent of BSC's intake, and 51.8 per cent of the financial sector overall.

But perhaps most significant were the figures for mathematics and computing: 18 per cent of BSC's intake, but 22.8 per cent of those going into the financial sector.

Mr Bellin tried hard to sell industry's qualities - international, against the mere metropolitanism of the City; progression and security, against cash; a broader sweep, against a narrow focus. Undergraduates in the audience looked doubtful.

Everybody who spoke stressed that there was more to working in the City than mere money. Money was much less important than career development, than training, than intellectual stimulation, than interesting colleagues.

But there was a notable quickening of the pulse when the autumn 1987 new graduate salary level of £11,000 mentioned by Ms Matri Eastwood, a partner in the accountants Arthur Young, was upped by Ms Smith to a general new gradu-

ate salary range in the City this year of between £10,000 and £20,000.

Despite a video trying valiantly to picture steammaking as a high-tech rather than a smokestack industry, industry (in the shape of Mr Bellin) seemed to lose out heavily to the City (in the shape of Ms Smith).

Herself a former New Zealand civil servant, and previously employed by both Easternby's and Chase Manhattan Bank, Ms Smith's freerack of a speech - sharp and funny, descriptive and analytic - was probably in itself an indication of why graduates prefer City life to industry.

She was sceptical about the modern myths of the City - long lunches, high expenses, sky-high salaries, the Yuppies (young upwardly mobile professionals), Dinkies (dual income no kids), Omiks (one income no kids) an even Yummies (young upwardly mobile marrieds), however, in many of her examples, especially about those City employees starting work at 8am and still there at 9pm, seemed to be going some way towards confirming the media stereotypes.

ERF forecasts 50% output rise

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

HIGHER DEMAND should push up production by ERF, the last British-owned truck producer, by 50 per cent this year compared with about 1,750 vehicles in 1986, Mr Peter Foden, chairman, said yesterday.

Customer's seem to have regained confidence in the company and its long-term future. It suffered losses of £11.3m in the 1980-83 truck industry recession.

ERF's order intake in the first quarter of this year was the highest since 1979, the peak year for truck demand in the UK.

Output was increased from seven trucks a day in January to 10 a day last month and would go up again to 12 in May, Mr Foden said.

ERF, which cut its workforce last November by about 50, had hired about the same number to cope with the increased output and would need more people next month. Discussions were going on with the unions about the precise number. The company currently employs 750 of which 350 are on the truck lines.

Mr Foden said that ERF should win some of the available business created by the recent merger of the former state-owned Leyland Trucks and DAF into a group controlled in the Netherlands, as well as that left available by General Motors which has stopped production of Bedford medium and heavy trucks in the UK.

There would also be a unique opportunity to strengthen the ERF distributor network because of the rationalisation of the UK industry. Mr Foden said ERF could add about three more distributors to the present 23.

BA recruits first women pilots

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS yesterday hired its first women aircrew pilots. They will fly as co-pilots for an initial training period but could eventually command turbo jets on long-distance air routes.

The three women are Lynn Barton, 30, Jill Develin, 30, and Wendy Barnes, 27.

They have been hired by BA as part of its pilot recruitment programme, intended to train up to 1,200 new pilots by the end of the century to replace pilots retiring from the 2,000-strong pilot force.

BA has hired no pilots for almost a decade, but retirements have begun to catch up. The recruitment scheme includes untrained pilots, who will pass through a new flying training college set up by British Aerospace, the aircraft manufacturer, at Prestwick in Scotland.

The three women hired yesterday are trained pilots, but in addition, two will be taught to fly short-hand One-Eleven twin-engined jet airliners and British Aerospace twin-engined 740 aircraft. One will move to Boeing 747 Jumbo jets as a second officer.

Their starting salaries will be about £17,800 a year.

Mr Colin Marshall, chief executive of BA, said: "I am delighted to welcome them aboard. BA is an equal opportunity employer, and the absence of women on our flight deck is due only to the fact that we have not recruited any pilots at all in more than 10 years."

BA is behind other UK airlines in the recruitment of women pilots. Air UK has eight out of a pilot force of 185; Dan Air has seven out of 463, and British Caledonian has four out of 400.



Now, St. Louis non-stop.

TWA's Gateway to the West.
TWA have now started a non-stop daily service to St. Louis. And from St. Louis itself, TWA can fly you to over 60 cities all over

the American West.
For full details of our St. Louis non-stop, see your travel agent or ring TWA on 01-636 4090.

TWA FLIGHT 721		
DEPARTS	ARRIVES	
GATWICK	ST. LOUIS	DAILY
13.15	16.25	

Leading the way to the USA.



Brussels
plans to
end VAT
zero-rate

Travel
decides
step do

Expansion
in pipe



WHO NEEDS 420 PARTNERS TO HELP THEM MAKE DECISIONS?

The answer is 'nobody.' What you need is one first rate adviser who knows what he is doing, has your interests at heart, and can supply rapid, innovative assistance.

And is backed up by the considerable resources of the biggest firm of accountants and management consultants in the U.K. and the world.

That is why Peat Marwick and KMG Thomson McLintock recently came together. Not to be the biggest, but to be even better than we were before.

To offer an impressive range of services to clients no matter how big or small they may be, and to do so at all times through the personal attention of a partner.



You have a partner at Peat Marwick McLintock

As usual, we're one jump ahead of other airlines to the Far East.



LONDON - TOKYO IN ONE JUMP.*



LONDON - HONG KONG IN ONE JUMP.



LONDON - BANGKOK IN ONE JUMP.

We fly non-stop to more places in the Far East than any other airline. These flights are part of our extensive not-so-Far East service featuring all major destinations.

BRITISH AIRWAYS

The world's favourite airline.

*Times weekly from June 6th.

UK NEWS

British Telecom widens radiopaging services

BY TERRY DODSWORTH

A NEW DEVICE that enables radiopaging customers to dial into a central voicebank and gain access to pre-recorded messages was launched yesterday by British Telecom Mobile Communications (BTMC), the UK's leading radiopaging company.

The system, called MessageLink, automatically pages a user when a telephone call is received. If the user is unavailable, it will store the message for retrieval from anywhere in the world, 24 hours a day.

BTMC announced the new service yesterday as part of a package aimed at stimulating the radiopaging market by reduced tariffs, simpler zoning arrangements and an additional automatic method of sending messages.

Prices will be cut by a new tariff structure relating to additional zoning arrangements which will allow customers to choose from a set of six regional areas rather than selecting from the existing 40 smaller radiopaging zones. Rates in the six regional areas are being offered at a discount to tariffs under the existing structure.

In addition, a reduced monthly rental scheme is being introduced to bring down prices for long-term users, and provide an incentive to take out longer agreements. Monthly rentals will be cut by up to 38 per cent - to £7 a month for the cheapest paper - in return for a higher initial payment, which would be recouped if the paging service was maintained for more than two years.

BTMC's drive to stimulate the UK radiopaging market comes at a time when sales are already expanding rapidly. The company claims to run the largest service in the world, with 370,000 users, and offers the only network with national coverage in the UK. Its user base is expanding at a rate of between 20 per cent and 30 per cent a year.

Mr John Carrington, BTMC's director, said yesterday that the group should have enough capacity on its transmission frequencies to last it to the end of the decade at current rates of growth. However, the company is continuing discussions with the Department of Trade and Industry on the possible release of additional frequencies to cope with potential capacity shortages.

Britain suffers cutting tools deficit

FINANCIAL TIMES REPORTER

BRITAIN became a net importer of cutting tools last year, with a trade deficit of £6m compared with a £1m surplus in 1985.

The federation of British Engineers Tool Manufacturers said that in a "successful year" for the industry there had been no upturn in domestic demand, with exports

showing a significant decline. Mr Ian Runciman, the outgoing president of the federation, said that Britain to join the European Monetary System. Last year, he said, "the volatility of exchange rates made it very difficult for a planned assault on export markets with a long-term presence in mind."

Sales of engineers' cutting tools by UK manufacturers in the 12 months to September 1986 were up 6 per cent at £207m. In the first nine months of 1986 imports took 44.4 per cent of the UK market, compared with 46.5 per cent a year before, while exports fell from 48 to 42.2 per cent.

Quarter of workers to escape tax net in Manx budget

BY IAN HAMILTON FAZEY

THE Isle of Man, buoyed by an estimated 10 per cent rise in gross domestic product, is keeping its only rate of income tax at 20p in the pound and increasing allowances so that a quarter of the working population will pay no tax.

In the first budget since November's election of a new Tynwald - the island's parliament - Mr David Cunniff, the new Finance Minister, yesterday moved fiscal policy decisively to the right, declaring a strong belief in sound money and an enterprise culture.

Although tempted to respond to the UK's basic rate cut, Mr Cunniff decided that lowering the island's 20p rate would benefit local spending power less than raising allowances.

He believes that higher thresholds will put more money in the pockets of people who will stimulate the local economy by spending it, whereas well-off people gaining from a cut in the standard rate would not necessarily spend more on the island.

In any event, people with a taxable income exceeding £41,200 a year still pay tax at 60 per cent in the UK, compared with 20 per cent on the island. Mr Cunniff said: "It is people within this group we are attracted to live here."

Unemployment on the island stands at 7 per cent and is falling. Expansion of jobs has been rapid in the financial services sector after strict regulatory machinery was introduced to give the Isle of Man respectability as an offshore financial centre.

The budget also increases from £250 to £450 the annual fee to register a non-resident company on the island. Mr Cunniff said this would help ensure that only "respectable" businesses were involved, while still being £50 more competitive than the fee in the Channel Islands. There were 4,000 new registrations last year.

The reserve fund, which fell to less than £2m during the 1980-1981 recession, is at £20m. Mr Cunniff plans to build it to £50m to act as a cushion guaranteeing independence. This might be needed should the island abrogate its customs agreement with the UK, which would enable it to go duty free to boost tourism, as well as to set its own VAT rates.

To get the budget into surplus, the island has cut its capital spending plans, claiming that public projects should wait since the construction industry is already pressed to meet private sector orders for offices.

Bank cards 'too easily available to young'

BY DAVID CHURCHILL

THE National Consumer Council (NCC) has strongly criticised banks for making cheque books and bank cards too freely available to teenagers.

"The criticism comes in the wake of growing concern about the ease of obtaining credit from banks and financial institutions."

This recently led the Office of Fair Trading (OFT) to set up a review of credit lending practices and Sir Gordon Borrie, director general of fair trading, to criticise the availability of credit cards as being given away "like sweets."

The NCC's criticism of the clearing banks comes in the latest issue of its journal, Consumer Voice. Ms Janet Graham, the NCC's vice-chairman, says that "a bank card is the most dangerous status symbol of all."

She suggests that some bank managers are too willing to open banking accounts for teenage children of recognised customers. "The only preliminary seems to be a homily on the danger of getting into debt and a threat that, if this happens, the card will be removed," Ms Graham adds.

However, she points out that this step is rarely taken and overdrafts are frequently not queried.

"If this happens, taking the waiting out of wanting can result in a spiral of debt which becomes difficult to resolve," she says.

NOTICE OF REDEMPTION NICOR Overseas Finance N.V.

Has Called for Redemption all its
10 3/4% Convertible Subordinated Debentures
Due May 1, 1995

NOTICE IS HEREBY GIVEN that pursuant to the terms of the Indenture dated as of May 1, 1980, as supplemented, among NICOR Overseas Finance N.V. (the "Company"), NICOR Inc. (the "Guarantor") and Irving Trust Company (the "Successor Trustee"), the Company has elected to redeem and will redeem on May 1, 1987 (the "Redemption Date") all of its outstanding 10 3/4% Convertible Subordinated Debentures due May 1, 1995 at 102.50% of their principal amount (the "Redemption Price"). Interest will be paid on May 1, 1987 in the usual manner.

- The Debentures may be surrendered for payment with all coupons maturing after the Redemption Date at the offices of one of the Paying Agents listed below:
- a. Continental Bank/International, One Liberty Plaza, New York, NY 10006
 - b. Continental Bank, 30 North LaSalle Street, Chicago, IL 60697, Attention: Corporate Trust Operations, 16th Floor
 - c. Continental Bank S.A., 227 Rue de la Loi, 1040 Brussels, Belgium
 - d. Continental Bank/Branch, 162 Queen Victoria Street, London EC4V4BS, England
 - e. Continental Bank/Branch, 10 Avenue Montaigne, 75008 Paris, France
 - f. Continental Bank/Branch, Bockenheimer Landstrasse 24, 6000 Frankfurt/Main, West Germany, Federal Republic of Germany
 - g. State Street Bank (Switzerland), Bahnhofstrasse 18, P.O. Box 503, CH-8002, Zurich, Switzerland
 - h. Banque Internationale a Luxembourg S.A., 2 Boulevard Royal, Luxembourg, Luxembourg

NO INTEREST WILL ACCRUE ON THE DEBENTURES ON AND AFTER THE REDEMPTION DATE, AND THE COUPONS FOR SUCH INTEREST SHALL BE VOID.

The Debentures are presently convertible into Common Stock of the Guarantor at the rate of 27.507 shares of Common Stock for each \$1,000 principal amount of the Debentures. The right to convert Debentures into Common Stock will expire at the close of business on April 27, 1987 and after that date no further conversions of the Debentures will be made. Accrued and unpaid interest will not be paid on Debentures which are converted.

Debentures may be surrendered for conversion, together with all unexpired coupons appertaining thereto, at the offices of one of the Paying Agents listed above, together with a written notice of election executed by the holder that the holder elects to convert such Debentures in accordance with the provisions of Article Eleven of the Indenture and specifying the name(s) in which the shares of Common Stock deliverable upon such conversion shall be registered, with the address(es) of the person(s) so named.

Dated: March 27, 1987
NICOR Overseas Finance N.V.

The Law and Employee Benefits. A Guide to Saving Tax

Look at the advantages of Luncheon Vouchers:

- You get a daily tax-free allowance
- There's no National Insurance to pay
- Every £1 is worth 53% more to your staff than cash
- All the benefits of a staff canteen - none of the cost
- Welcomed by over 30,000 establishments countrywide
- Efficient and simple to administer

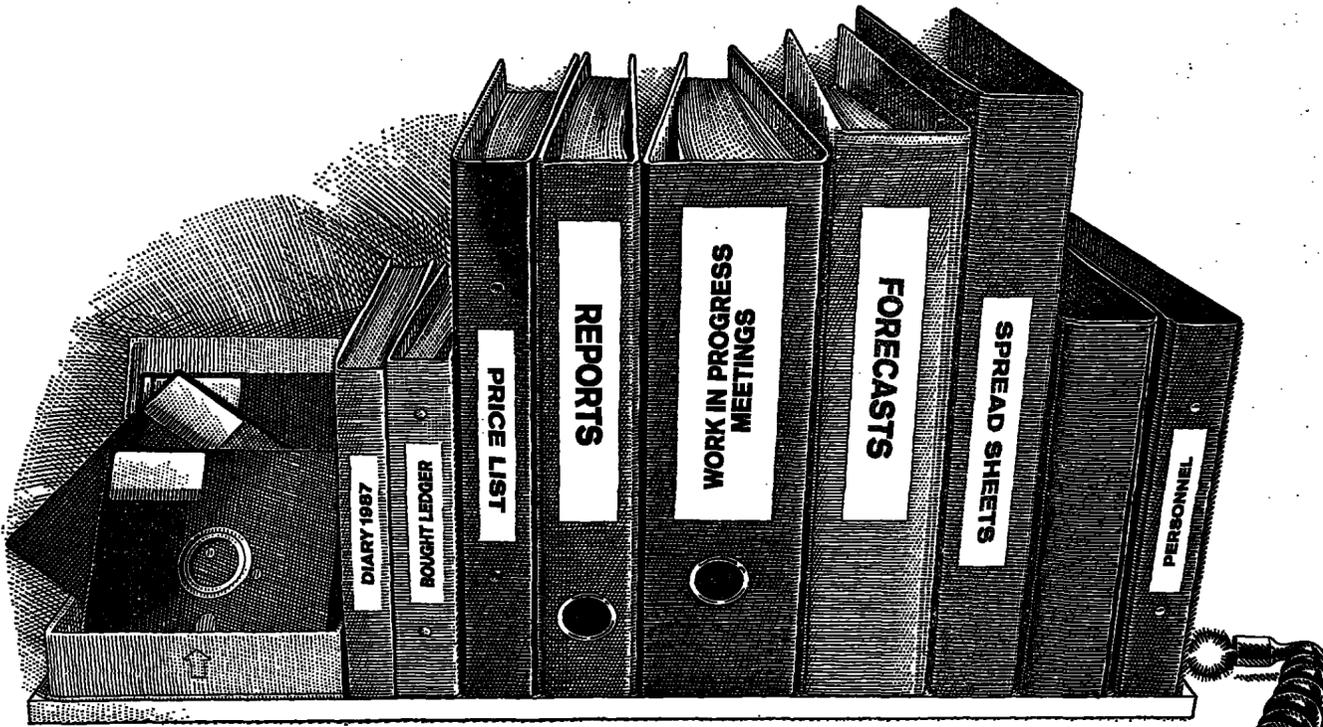
Send for a personal company proposal today and get the LV Tax-Saving Guide absolutely FREE!

Please send me my FREE copy of 'The Law of Employee Benefits - A Guide to Saving Tax' FREE plus personal company proposal.

Name: _____ Title: _____
Company: _____
Address: _____
No. of Employees: _____

LUNCHEON VOUCHERS
Luncheon Vouchers Ltd, Prospect, London SW7 2EJ Tel: 01-254 5025

Data General advancing imaginative solutions in office automation.



Front runners, such as BUPA Medical Centres to Tetra Pak, constantly hone their competitive edge.

One of the tools they use is the Data General Comprehensive Electronic Office, the front-runner in getting more out of the daily workload.

The question you're likely to ask is, 'how can I improve my company's performance the same way?'

A realistic starting point - The Data General Benefit Analysis Pack. Using it, based on facts only you know, will enable you to identify those areas (the ones really critical to your success) where a modern computer system can be of the greatest benefit.

Send for it by using the coupon, or by phoning Barbara Scott on 0296 68143.

I'd like to know where the Data General Comprehensive Electronic Office can help me most effectively.
Please send me a Benefit Analysis Pack.
Mail to: Data General Limited, Stormark, 30a Horsefair, Banbury, Oxon, OX16 0AE.

Name _____
Position _____ Company _____
Address _____ Tel. _____

Data General
A Generation ahead.

FT LAW REPORTS

Father succeeds with school fees tax plan

SHERDLEY v SHERDLEY
House of Lords (Lord Bridge of Harwich, Lord Elwyn-Jones, Lord Brandon of Oakbrook, Lord Brightman and Lord Ackner): April 8 1987

A DIVORCED parent with custody and control of his children may obtain a court order against himself to pay school fees direct to the school, though the sole reason for his seeking the order is to obtain a tax advantage.

The House of Lords so held when allowing an appeal by a father, Mr Ian Sherdley, from a Court of Appeal decision (1986) 2 FTLR 172 that he could not obtain orders against himself for the payment of school fees.

LORD BRANDON said that Mr Sherdley, on the dissolution of his marriage, was granted custody, care and control of his three children. They lived with him and attended fee-paying schools.

In May 1985 Mr Sherdley applied in the Family Division for an order against himself for the payment by him of the children's school fees direct to the schools as their agents. The application was dismissed by Mr Justice Wood and Mr Sherdley's appeal was dismissed by the Court of Appeal. He now appeals.

His sole purpose in applying for the order was to obtain two separate tax advantages. The first was the right to deduct from his gross income the grossed-up amount of the payments for the children's education, the ability to recover on behalf of the children part of the tax deducted by him in making the payments.

In Stevens v Trevor (1940) 1 KB 294 it was held that payments made to the mother for maintenance and education of her children were part of her income. In Yates v Shorkey (1981) Ch 462 it was held that payments made to the mother on trust for the children were deemed to be the father's income.

By 1983 the High Court had held that orders for payment made direct to the children. The object was to make them the children's income, while avoiding a settlement, as in Yates v Shorkey. Orders for payment direct to children became a regular practice because of the tax advantages involved.

On November 10 1980 the Senior Registrar of the Family Division issued Practice Direction (Minor: School Fees) [1980] 1 WLR 1441, with the concurrence of the Lord Chancellor.

It stated that where a maintenance order included an element in respect of school fees, the Inland Revenue had agreed that tax relief would be given on that element.

It was a condition of such an order being acceptable for tax purposes that the contract for the child's education should be between the child and the school and that the fees were received by the "officer of the school" as the appointed agent for the child.

On June 16 1983 Practice Direction (Minor: Payment of School Fees) [1983] 1 WLR 800 was issued, again with the concurrence of the Lord Chancellor. It provided for automatic adjustment of the maintenance order when the school fees increased.

It stated that the revenue had agreed that tax relief would be given on the adjusted element on condition that it was paid to the headmaster or school secretary as agent for the child.

Both these practice directions proceeded on the basis that the father, who was under order to make periodical payments direct to the child, would be furnishing tax deduction certificates to the mother having care and control.

On the face of it, therefore, neither practice direction appeared to be intended to apply where the father had care and control, so that if he were to furnish tax deduction certificates to anyone it would presumably be to himself.

Mr Justice Wood held that he had power to make the order, but decided not to do so because it had been the policy of the Family Division for at least eight or 10 years not to make such orders.

The Court of Appeal dealt with three main questions. The first was whether the court had jurisdiction to make the order.

sought. The second was whether it was right to make the order in the absence of an issue between the father and any other party. The third was whether it was right to make the order when the sole purpose was to obtain tax advantages.

With regard to the first question the Court of Appeal unanimously considered that there was jurisdiction to make the order under section 23(1)(d) of the Matrimonial Causes Act 1973 [which provided that on dissolution of a marriage the court could order periodical payments to be made for the benefit of a child].

With regard to the second question Sir John Donaldson MR and Lord Justice Neill considered that the absence of any issue did not make it wrong for the order to be made. Lord Justice Balcombe was of a contrary opinion.

With regard to the third question Sir John Donaldson MR and Lord Justice Neill considered that because the sole purpose of making the order was to obtain a tax advantage, it would be wrong to make the order. They thought the principles in Estate (1987) AC 500 and Furniss (1984) AC 474 applied.

Sir John Donaldson expressed the view that an order in the form recommended in the first practice direction would be a sham and should be refused.

If the Court of Appeal's decision were right, the law practised a strange form of fiscal discrimination in the way in which it treated two different but comparable situations arising out of the breakdown of a marriage.

If the children lived with the mother she could apply for an order against the father requiring him to make periodical payments which might or might not include an element for school fees. The court in accordance with practice would make such an order as a matter of course.

The sole reason why the court would make the order in that form was to enable the father to obtain tax advantages. The advantages were greatly for the benefit of the children in that they increased the amount of income available for their maintenance and education.

If on the other hand the children lived with the father, if the Court of Appeal's decision were right, the order might not be made, with the result that the children were denied a similar benefit.

The court did have jurisdiction under section 23(1)(d) of the 1973 Act to make the order. Also, the absence of any issue between the father and any other party was not in itself an obstacle to the exercise of the jurisdiction when the court was dealing with financial provision for children, there was always an issue as to what was the right and proper provision to be made.

However, the view that it would be wrong for the court to make the order because its sole purpose was to obtain tax advantages involved unjustifiable discrimination. The Revenue and Furniss principles did not apply to the exercise by the court of its powers under section 23(1)(d).

There was force in Sir John Donaldson's critical comments on the artificiality of contracts entered into by young children with their schools. However, an order which contemplated such contracts was not a sham in the legal sense of the word. It was to be borne in mind that the practice directions were issued with the approval of the Inland Revenue and the Lord Chancellor, and had been acted on for many years to the great advantage of innumerable families.

As Lord Justice Balcombe said at the end of his judgment: "I agree that it might be preferable if some less artificial scheme could be devised. However, as the present scheme works satisfactorily, I would be reluctant to insist on its alteration."

Their Lordships agreed. The appeal was allowed. For the father: Joseph Jackson QC and Valerius Le Gros (Fritchard Englefield & Tobin). Amicus curiae: James Holmes (Treasurer Solicitor). The mother took no part in the proceedings.

By Rachel Davies Barrister

Ransomes and Rapier wins £9m walking dragline order

RANSOMES AND RAPIER, Ipswich, has won a £9m order for a W2000 walking dragline from the Jordan Phosphate Mining Company, despite American competition. The dragline will be used for extraction of phosphate—Jordan's biggest export. Manufacture will begin in the next few weeks and the dragline will begin to be exported to Jordan in early 1988. Ransomes was assisted by a government soft loan—the first for Jordan. Mr Alan Clark, Trade Minister, said: "This contract is the result of close collaboration between the company and my department's projects and export policy division, the overseas development administration, and the export credits guarantee department."

The order follows the success of a similar Ransomes machine supplied to the Jordanian company six years ago, and which the Prime Minister operated during his visit to Jordan in September 1985. J. Henry Schroder Wagg and Co were the company's bankers for the project. The soft loan, under the Aid and Trade Provision (ATP), is at the rate of 3.5 per cent over 15 years including five years grace period, and is being lead managed by Schroders. ATP is a sum of money (£90m in 1986-87) earned from the aid programme administered by the overseas development administration. It is used to support projects which are economically, developmentally and commercially sound and of commercial and industrial importance to the UK.

Ransomes & Rapier has also won an order from China worth £1.2m for a BPC-R1200 crane mounted on a mobile crane chassis. It is due to be in operation by May. The crane, which has a 260 tonne lifting capacity and has a multi-functional loading and off-loading facility, is to work on a cargo terminal project in the People's Republic of China. The seven-axis chassis, built by Italian company CVM has been delivered to Ransomes & Rapier's Waterside Works where the crane will be mounted on it, prior to testing. JOHN WILLMOTT CONSTRUCTION has been awarded a contract worth about £10,000 for the Provident Mutual Life Association, Hiltside, for construction of a computer suite.

FAIRLOUGH CIVIL ENGINEERING has been awarded a contract for remedial works to the Ebbw Fawr river culvert, southern section, which forms the initial phase of major reclamation work preparing for the 1992 National Garden Festival. The contract, funded by the Welsh Development Agency and worth £1.6m, is being carried out for Blaenau Gwent Borough Council. The work involves demolition of the culvert and construction of an in situ concrete invert entailing diversion of flows in the Ebbw Fawr.

British airship advertising in Japan

With the assistance of Nishio Iwai, its Japanese agent, AIRSHIP INDUSTRIES has signed a deal worth £8m with a major Japanese advertising agency, for a 12 month lease with a 12 month renewal option. This requires assembly and operation in Japan of the latest 600 class airship equipped with the recently-developed night vision. The signs, an advertising first, measuring almost 1,000 sq ft, are mounted on both sides of the airship. The pixels, or light-emitting diodes, are capable of a range of 1,500 colour shades and a change rate of 25 frames per second, effectively creating huge television screens. The picture is generated totally on board through a computer system which will accept VHS video tapes.

live TV camera pictures, or a keyboard caption generator for up-to-the minute messages. Airship Industries says the flexibility of the sign and its total world exclusivity was recognised by the client as a chance to secure an advertising opportunity which leaves all previous airborne advertising systems far behind, and is predicted to be a great hit in Japan where high profile advertising is in great demand. The company has been developing the sign for almost four years and are now satisfied that it has created a means of greatly enhancing the airship's advertising abilities. The identity of the agent and client remains undisclosed. The contract commences no later than October 1.

Danish Navy orders Racal systems

Two companies in the RACAL radar defence group, Racal Avionics and Racal Radar Defence Systems, have won contracts to supply a Tactical Data System (TDS) and Electronic Support Measures (ESM) equipment for Lynx helicopters of the Royal Danish Navy. Worth £4m this is the first export order for a TDS, supplied by Racal Avionics, fully-integrated with

Kestrel, an advanced ESM equipment from Racal Radar Defence Systems. These systems will allow more sophisticated sensors and equipment to be fitted to future Lynx, making it one of the most advanced and effective naval helicopters in Europe. The system was conceived by Racal Avionics to integrate the many complex control and display functions of airborne systems into one compact package, reducing cockpit workload. A powerful processor and user-friendly operating procedures replace much of the manual intervention required to operate the wide range of avionics fitted to modern aircraft. It provides the aircrew with a unique capability coupled with minimum crew workload since many of the operator functions are carried out within the TDS. In its intelligence gathering role, Kestrel provides detailed data on the radar environment which may be recorded for subsequent post-mission analysis.

G M Health Care has awarded a £2m contract for the refurbishment of the Esperance Private Hospital, Hartington Place, Southampton, to WALTER LLEWELLYN & SONS. Work has started with completion programmed for April 1988. The refurbishment will provide 63 beds, two high-dependency wards and two new operating theatres. The patients department will include X-ray, health screening centre, physiotherapy and consulting rooms. The general modernisation will include kitchens, heating, electrical installation, nurse call systems, redecoration and improved parking.

RANKS HOVIS McDOUGALL PLC. Offers for AVANA GROUP plc.

Table with 2 columns: Offer Description, Price per AVANA SHARE. Value of RHM Increased Cash Alternative.... 800p; Avana's current share price..... 791p; Avana share price prior to the announcement of RHM's Offers..... 463p

The final closing date for the Increased Offer is 1.00p.m. on Friday, 17th April, 1987, Good Friday.

1. This advertisement is published by Morgan Grenfell & Co. Limited on behalf of Ranks Hovis McDougall PLC ("RHM"). The Directors of RHM are the persons responsible for the information contained in this advertisement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this advertisement is in accordance with the facts. The Directors of RHM accept responsibility accordingly. 2. Avana's current share price is the middle market quotation for an Avana ordinary share at 5.00 p.m. on 14th April, 1987 as derived from The Stock Exchange Topic-Screen. Avana's ordinary share price prior to the announcement of the Offer is the middle market price for an Avana ordinary share as derived from The Stock Exchange Daily Official List for 9th February, 1987. 3. The Increased Offer is final, will not be increased and will remain open for acceptance until 1.00 p.m. on Friday, 17th April, 1987 unless it is then unconditional, in which case it will remain open for not less than a further 14 days, except that RHM reserves the right to increase and/or extend the Increased Offer should a competitive situation arise or should the Panel on Take-overs and Mergers so agree.



INTERNATIONAL COLLABORATION IN AEROSPACE - Problems, Progress & Prospects. Paris 9 & 10 June, 1987. Financial Times Conference Organisation. Minister House, Arthur Street, London EC4R 9AX. Alternatively telephone 01-621 1355 telex 27347 FICOMF-G fax 01-623 6814

MANAGEMENT

American Telephone & Telegraph

The going gets tougher

Terry Dodsworth reports on the US telecommunications group's search for new markets

THERE WAS a time a few years ago when running American Telephone and Telegraph, the world's largest telecommunications group, was the private sector equivalent of administering an exceptionally well-organised Government department.



Those days have now gone for ever. Three years after the break-up of the Bell telephone system, the historic reorganisation which split AT&T away from its seven regional Bell operating businesses, the group is undergoing one of the most painful cultural changes any company has ever had to face.

James Olson, chairman for the past seven months, is having to learn how to manipulate the controls in a market infested with the sort of competition which the old AT&T monopoly hardly knew existed.

Olson has been faced with a battery of tough decisions. Within three months of taking over, he announced a swinging redundancy plan, cutting out 27,400 jobs at one swipe. At the same time, he decided that his first year as chairman would be marked by equally sweeping write-offs—\$3.2bn—that knocked earnings back to a paltry \$189m (on sales of \$34bn) in 1986.

He had to admit that the company's computer business in the US was not going well, and turned to an Italian from Olivetti, Vittorio Cassoni, to run it. Overseas, where AT&T had dreamed of the prospect of juicy new markets opening up before it, he has been embroiled in the bitter wrangle over the bid for CGCT, the French switching manufacturer which is the subject of alternative offers from Siemens of West Germany and Ericsson of Sweden.

"It has been a wrenching experience, particularly the job cuts," he says. "I came up from the bottom of the company—the very bottom—and I understand what happens to families when you make decisions like this."

It was Olson's record in rising from the ranks—he started his career at AT&T as a cable splitter's assistant in 1943—that led to his choice as chairman last year. Bluff and thickset, he is known as an operations man, willing to tackle difficult problems head-on. He has a wealth of experience in the minutiae of running the vast AT&T empire—albeit in many of the parts which have now been spun off—working his passage from the plains of North Dakota to headquarters in New York via a spell in the urban jungle of Chicago-based Illinois Bell and the company's Western Union manufacturing division.

Olson's initiatives since taking over the chairmanship have given extra zip to moves aimed at reinforcing AT&T's position in the businesses it knows best—its long-distance telephone network and its equipment manufacturing operations.

For the time being at least, he has scaled down the company's ambitions in the computer industry, where it once saw itself going into a head-on battle with IBM, the world's leading computer manufacturer. Investment in AT&T's long-distance fibre optic cable network is being pushed ahead, and the Western Union factories, which were beaten into production of large digital telephone exchanges by Northern Telecom of Canada, are now pumping out the new genera-

tion equipment at the rate of well over 8m lines a year—far more than any other manufacturer in the world.

"One of the things the Japanese have done better than us is to design their factories for efficient manufacturing," says Olson. "Now we are putting our full resources into the manufacturing organisation." Layers of management are being stripped away throughout Western Union in the effort to turn it into a more responsive, market-oriented business.

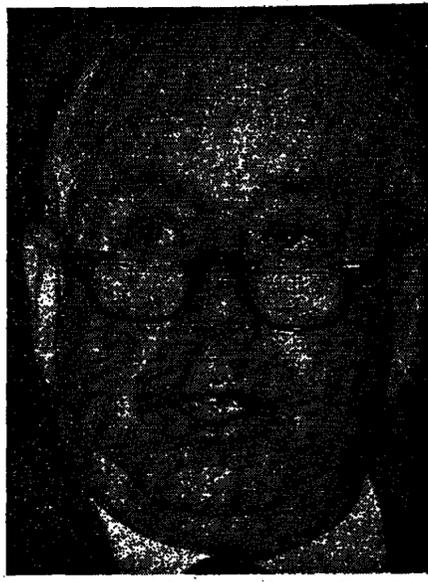
by the cost reductions achieved so far this year. Cash flow, he adds, is running strongly.

Yet the group's defensive reorganisation in its traditional business still leaves open one of the crucial questions posed for AT&T by the Bell system break up: how does it capture new growth markets? AT&T's post-divestment development strategy has been largely aimed at two areas—moving into the computer sector to offer computer customers integrated data and voice communications services both at home and overseas; and pushing into international equipment markets with its range of large public switches, business exchanges and transmission products.

Potentially, both of these areas promise big rewards. In the computer field, for example, the manipulation and transmission of data is becoming just as important as the more basic business of number crunching. In telecommunications equipment, a big replacement market is rapidly opening up all around the world with the shift from analogue to digital transmission methods.

In each of these businesses, however, the problems of changing managerial direction have become abundantly clear over the last three years. AT&T has found it difficult to adjust the habits developed as a public utility to the demands of the market place. "I liken the situation to the one at British Telecom," says a UK electronics industry executive. "The top management may have become more alert to the challenges of a competitive business environment, but much of the company is still run by unreconstructed monopolistic bureaucrats."

Olson freely concedes the difficulties AT&T has encountered trying to break into new markets, although in the case of computers he appears to see this as deriving from a different underlying expertise rather than from an inappropriate culture. IBM, he says, has had similar problems to AT&T in trying to invade the communications business from its base in the computer industry; both companies are trying to move towards the point where their own technology merges with that of the other, and each is finding it similarly awkward to graft on the technology it did not have. "I think we both have



James Olson manipulating the controls in a competitive market

a learning problem," says Olson.

AT&T has now shifted its main thrust more emphatically towards systems integration, making machines talk to each other—rather than computer hardware itself, a move that plays to its strengths in transmission. The aim is to provide customers with networks on which information, voice communications and even video can be moved around freely within an organisation, on an international scale if necessary.

Overseas, AT&T probably has even more to learn. Superficially, it has had considerable exposure to foreign markets because it has had a leading role in the organisation of international communications. This experience, however, is not a great deal of use to it in the altogether more cut-throat world of selling equipment, either to private customers or the public telephone operating companies.

At the same time, AT&T is trying to break into markets which are already well supplied with alternatives. In Europe, manufacturers have well-established marketing networks, and where, in many cases, the political pressures against doing business with a foreign supplier are intense. Unlike other high

IBM's social responsibility

The corporate and the common good

BY MICHAEL SKAPINKER

WHEN businessmen talk of social responsibility, sceptics start counting the spoons. Tony Cleaver, IBM (UK)'s chief executive, observed recently:

But corporate activities carried out under the umbrella of "social responsibility" represent nothing more than enlightened self-interest, he said. They are an important element of commercial success. As such, they should be managed as professionally as any other aspect of the business and their benefit to the company should be measured.

"Decisions on which production to sponsor or which charity to support should be defined by guidelines and not simply arbitrary or a response to the predilections of the chairman," he said in a lecture at the Royal Society of Arts.

Unlike the great 19th-century corporate philanthropists, company executives today have to justify the pursuit of social responsibility activities to their shareholders. "A William Morris, a Joseph Rowntree or an Andrew Carnegie had every right as the owner/manager to distribute all the funds generated by that business as he personally saw fit," he said.

Today "chairmen or chief executives of public companies have no such right; we are at the end of the day, employees, fully accountable for our actions to our shareholders." The prime duty of company executives towards their shareholders is to create a reasonable return on their investment, he said. In the short term that means a satisfactory level of profit. But there are longer-term duties towards the shareholders, too. For example, failure to conduct the business legally could cause it "to be closed down or at the least cause results to be affected adversely by unfavourable publicity."

IBM's policy of not laying off workers should be seen in the same light, he said. "I have heard it suggested that IBM's share price should be boosted immediately if we were to abandon our practice of full employment—a practice which means that we do not use layoffs or redundancies as a way of managing our business."

Whether that would be the result, I have no idea. But given that we are convinced that the effect on the company in the long term would be minimal, it is undoubtedly our responsibility to explain quite clearly why we operate as we do and to show that full employment, far from being a management weakness, is a proper investment in the future of the company," he said.

NOTICE OF PREPAYMENT
VILLE DE MONTREAL
48,000,000 CANADIAN DOLLARS
10% Bonds due 1999
In accordance with paragraph "Prepayment" of the Terms and Conditions of the Bonds, notice is hereby given that the City will prepay, on June 1, 1987, the total amount remaining outstanding of the above-mentioned Bonds at 100% of their principal amount.

COMPAGNIE BANCAIRE
Société Anonyme
Incorporated in France with limited liability.
Regd. Office: 6 avenue Kléber, Paris 16ème.
NOTICE TO SHAREHOLDERS
Following a Resolution passed at the Annual General Meeting on 24th March, 1987 a dividend of Frs. 10.00 per share of Frs. 100 nominal for the year ended 31st December, 1986 was declared payable from 31st March, 1987 as follows:—

CREDIT NATIONAL
Guaranteed Floating Rate Notes
Unconditionally Guaranteed by the Republic of France
For the 3 months period April 15, 1987 to July 15, 1987 the Notes will carry an interest rate of 7 1/2% per annum with an interest amount of Ecu 180.10 per Ecu 100,000 Note and of Ecu 1,801.04 per Ecu 100,000 Note. The relevant interest payment date will be July 15, 1987.

THE HONGKONG AND SHANGHAI BANKING CORPORATION
Primary Capital Unfunded
Floating Rate Notes
Notice is hereby given to the holders of these Notes that copies of the Annual Report and Accounts of the Bank for the year ended December 31, 1986 are available at the Group's London Regional Offices of the Bank at 99 Bishopsgate, London EC2.

PROJECT TRIDENT
THE TRIDENT TRUST ROBERT HYDE HOUSE
48 BRYANSTON SQUARE LONDON W1H 7LN
TELEPHONE 01-723 3281
Dear Chief Executive,
At Project Trident we are dedicated to bring about closer links between industry and education. Only in this way can we give the younger generation the best possible start in life, by encouraging pride in work, a strong sense of community responsibility and self-confidence.
Staffed by secondees from industry and by local education employees, Project Trident has three areas of involvement:—
Organising work experience schemes;
Encouraging participation in community projects;
Developing physical and intellectual qualities by providing opportunities for personal challenge.
Currently we operate from 40 centres in the United Kingdom and are helping over 50,000 young people a year.
Project Trident is supported by many of the Financial Times' Top 1,000 Companies, who provide directors by secondment or sponsorship to organise work experience and other schemes; and who give financial backing. Secondment provides an excellent development opportunity for young managers and, for the older manager approaching retirement, a rewarding transition at no extra cost to his company.
We urgently need more companies to help us by:—
Seconding managers to act as Project Directors;
Sponsoring directors recruited by Project Trident;
Funding residential courses.
Please support us; the need is great. Only by helping each other can we help ourselves. Please contact me or Keith Dexter, our director, so that we can tell you more.
Your sincerely,
Bill Rowson, OBE
Chairman
This advertisement is donated by Friends of the Trident Trust

CONFERENCE ON DAT
(Digital Audio Tapes) and technical papers to limit some special...
EUROPEAN COOPERATION UNIT
Suite 225, 20-20 Waterloo St.
Tel 01-734 5351 FAX 01-734 4166

AUSTRALIAN AIRLINE INDUSTRY

Australia makes slow approach to deregulation of airline industry

BY STEWART DALBY

AUSTRALIA'S domestic airline industry, closely cocooned by the Government for the past 36 years, has been coming under scrutiny as possibly the next candidate for deregulation under Mr Bob Hawke's Labor administration.

Such official enthusiasm which exists is, however, met with strong reservations by the main beneficiaries of the present system in both the public and private sectors, as well as the absence of an independent consensus on what should be done.

The country has operated a two airlines policy since 1952, with the market ostensibly equally divided between the government-owned Australian Airlines, until recently called TAA, and the private Ansett Airlines. Lately the regional East-West Airlines has managed to carve out a small slice of the market through court actions. This allows East-West to fly the main trunk routes providing it does so through "succession prescribed routes", touching an intermediate destination already within their regional network.

East-West expects to be the first airline listed on Australian stock exchanges later this year when it aims to raise some A\$50m (US\$35.5m).

Meanwhile, Air New Zealand, which has been pushing for the right to carry passengers within Australia, has confirmed that it has been in talks to buy a stake in East-West.

At present, in terms of passenger kilometres, the Australian market is split as to 50.5 per cent Ansett, 44 per cent Australian Airlines and 5.5 per cent East-West. On the basis of the number of passengers carried the split is Ansett 49.9 per cent, Australian 42.5 per cent, and East-West 7.6 per cent, according to figures from Australian Airlines.

The proportions are only rough indicators because they include regional routes which both East-West and Ansett have but Australian does not. On the major 16 trunk routes the difference in traffic carried between the two main airlines is probably no more than 1 or 2 per cent.

The duopoly has attracted a growing chorus of criticism over the years. The chief area of complaint concerns parallel scheduling. The two main airlines seem to fly the same routes on the same day at

almost the same times. Their charges are also regarded as high, and because of inflexible routing they appear to be impeding the growing international tourism industry.

Qantas, the state-owned international carrier, to its annoyance, is not allowed to carry any international passengers between domestic destinations in Australia. This results, it says, in 17,000 empty seats each month in Australia. Qantas has been vigorously campaigning for the restoration of its so-called interstate rights.

Mr E. P. Bowen, permanent secretary at the Department of Aviation, maintains that the two airlines agreement has served the country well.

Before the Second World War there were about 95 airlines, some of them undeniably "fly-by-night". There was no organised scheduling. "It is best to look at the two airlines policy as a question of protecting infant industries. Now that they have reached maturity it is probably time to loosen things up a bit," Mr Bowen says.

The present Government has, from time to time, indicated that it would deregulate the airlines. Mr Paul Keating, the Federal Treasurer, recently threw out a very broad hint that the Government intended to privatise Australian Airlines as a precursor to deregulation of the system.

A report on deregulation was published in December by a committee set up by Mr Peter Morris, the Federal Minister of Transport, under Mr Thomas May.

Policy options
Under existing legislation the Government can give three years' notice as from last January that it wants to wind up the duopoly. Unfortunately although the May committee carried out a thorough investigation, it made no recommendations. With the Government showing no real signs of hard action—despite its hints—the debate seems likely to wind on for some time.

What the report did do was set out five policy options:

● Retention of the present system.
● Revised regulation providing greater government involvement in airline management, particularly for setting capacity and new entry, as well as aircraft scheduling and fare setting.

● Modified regulations. This would give greater opportunities for entry on to the trunk routes by operators other than Ansett and Australian Airlines.
● Partial deregulation which would remove all controls except those over the import of aircraft.

● Total deregulation.
The attitude of the two airlines involved is that they would rather stay with the present system. Though they cannot really compete on fares and schedules means they cannot compete on service, the quality of service is very high, they argue.

This is true enough, but the airlines do very nicely out of the system. Ansett last year made around A\$60m (US\$43m) profit on turnover of A\$800m whereas Australian made A\$50m on roughly comparable turnover.

The airlines admit to a certain self-interest but say there are more complicated issues involved.
Mr James Strong, chief executive at Australian Airlines, says: "We have tried to recognise community expectations that a freeing up of the market gives more choice, keener pricing and the benefits of competition. The critical point is, can you achieve this by modifying or do you need to turn the system on its head?"

Of North American deregulation, which has led to a spate of mergers, Mr Strong paraphrases Clemenceau, by saying that the US went from barbarism to socialism without any civilisation in between. Its airlines are going from a regulated oligopoly to a market dominated oligopoly without any competition in between he says.

He rejects large-scale fare discounting as a solution: "No airline in the world has made a long-term success of discount travel."

At Ansett the view is much the same. Mr Ted Forester, general manager, says complaints about parallel scheduling really only concern outlying routes rather than the main Sydney-Canberra, Melbourne run where there are something like 16 flights a day. He also points out that a lot of discounting already takes place.

Mr Forester insists that Ansett's core economic fare is 75 per cent of the equivalent in Europe and 93 per cent of that in the US. There are no

charter airlines because spare capacity is used for discount fares.

While Ansett might prefer the present system it also strongly feels that the only alternative is complete deregulation—with one condition. If the sector is deregulated, Australian Airlines must be privatised. Sir Peter Abeles, the joint managing director of Ansett, said recently: "Put simply, you just cannot be a little bit pregnant. The only viable alternatives for the future are to continue with the present arrangements or give open competition a go."

Low-cost loans

Although the Government does not subsidise Australian Airlines' running costs the state-run carrier usually makes a profit. Until a recent increase it paid a dividend of only A\$1.5m a year, equivalent to 18 per cent of its low capital base. But the Government does often fund new aircraft, usually in the form of low interest loans.

Ansett's fleet includes Boeing 767s, 737s and 727s whereas Australian has the Airbus A-300 as its wide bodied jet. Ansett claims the structure of its fleet has already given it the edge in the market by one or two per cent. Mr Forester estimates that every 1 per cent more of a market share adds A\$30m to profits.

Ansett is 50 per cent owned by Mr Rupert Murdoch's News group. Its other shareholder is FNT, which is involved in transport, hotels, courier services and travel agencies. This vertical integration means Ansett would almost certainly flourish in a deregulated market and make it difficult for newcomers to erode its share.

Mr Forester denies, however, that it would swamp a privatised Australian. "They are well run and competitive, they would get their share of the business," he says.

It seems that there will eventually be some kind of deregulation says Mr Forester. "There will probably be few of us, maybe even two, although East-West wants a three airline system rather than a free-for-all. Fares on the main trunk routes to Melbourne and Sydney might come down and could stay lower, but the rest of Australia would probably be poorly served."

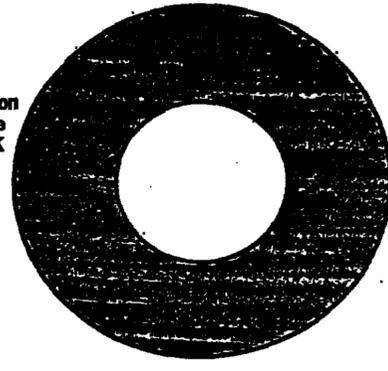
Benefits of Investment show through

● Group profits reflect the benefits of further expansion in the United States and the completion of the major UK investment programme.

● US interests continued to prosper from a generally high level of demand and from increased operating efficiencies.

● UK cement operations produced a much stronger performance in the second half which has continued into 1987; property development also made a significant contribution.

● Since the end of the year disposal of the group's interests in Australia and Spain has realised £148 million.



	1986	1985	% change
Turnover	£1098.0m	£947.2m	+16
Profit on ordinary activities before tax	£127.0m	£116.9m	+9
Group share of profit after tax and before extraordinary items	£96.6m	£83.7m	+18
Earnings per £1 ordinary share before extraordinary items	76.7 pence	67.7 pence	+13
Final dividend	17.0 pence	15.0 pence	+13

UK OPERATIONS
Improved profits from cement operations reflected the benefits of the major investment programme largely completed in 1986. These measures will result in improved cash generation. With modern and strategically located plants, coupled with a network of distribution depots, Blue Circle is well placed to benefit from the new situation following the recent termination of the Common Price and Marketing Arrangement.

US OPERATIONS
The Group's interests now constitute one of the major building materials businesses in the USA with a turnover approaching US\$ 700 million, and cement operations experienced output levels close to capacity. The successful integration of both Atlantic Cement and Williams Bros has strengthened Blue Circle's position in the market throughout the Eastern States. The Group also acquired Johnson-Stewart-Johnson, a ready-mix concrete and aggregate producer in Arizona. Elsewhere overseas the Group's operations performed strongly, for the most part.

Blue Circle
ON THE MOVE, INTERNATIONALLY

The Report and Accounts will be posted to Shareholders on 6 May 1987 and copies will be available from The Secretary at: Blue Circle Industries PLC, Portland House, Aldermaston, Berks RG7 4HP

This plastic can do something no other plastic can:
Give battery technology a vital new spark.

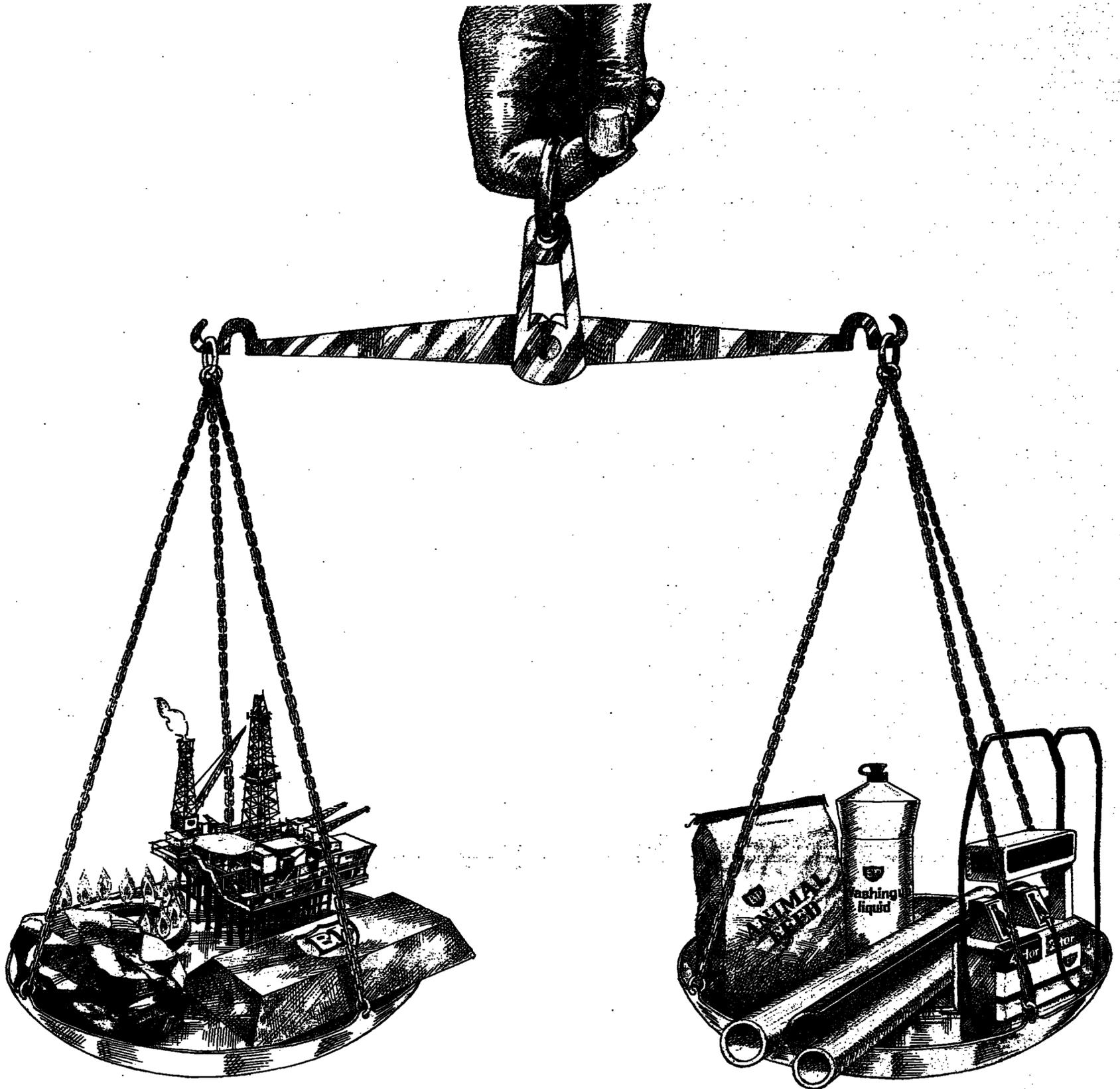
...the basis for such future developments as...
...s comprehensive plas...
...now now...
...is why industry through...
...the world recognizes BASF...
...useful and effective partner.



Innovations in chemistry

BASF plastics technology for research and development engineers worldwide.





When the oil price fell, guess which company was well-balanced to meet the challenge?

In early 1986, the world price of crude oil collapsed from \$26 a barrel to under \$10, then recovered to around \$18.

And many people predicted a disastrous year for the oil industry.

Yet despite the collapse and the ensuing market uncertainties, BP was still able to produce a healthy historic cost profit for 1986.

And a replacement cost profit – a better measure of trading performance – which was only marginally lower than the previous year's best-ever figure.

How did we do it?

First, by reacting quickly to the changed environment and by reshaping the profile of our "upstream," extractive businesses. (We've spent a lot of management time in recent years, planning for just such an eventuality.)

And second, by performing strongly in our "downstream" business; oil refining, marketing and chemicals, which not only benefited from lower crude prices, but have been becoming more and more efficient for some time now.

And of course there's a lot more to BP these days than oil.

Our interests include minerals, detergents, nutrition, new ventures and new technologies – all areas in which we have proven expertise.

For the full story on how we coped with the extraordinary events of 1986, and how we're planning to meet the challenges of 1987 and beyond, simply send the coupon for a copy of our Annual Report.

You'll get a more balanced picture of one of Britain's most important industrial companies than ever before.



To: The British Petroleum Company p.l.c., FREEPOST, Room 2522, Britannic House, Moor Lane, London EC2B 2DJ.

Please send me the BP Annual Report and Accounts for 1986.

Name _____

Address _____



Britain at its best.

6/21/86

JOBS

Keys to success in executive work overseas

BY MICHAEL DIXON

WHICH nations produce the most commercially wide awake, practically inventive executives? Whenever the Jobs column has put that question to international recruiters and personnel chiefs of world-wide companies, the first two countries listed have almost always been the same.

Top place has consistently gone to the United States. That is perhaps less than astonishing, however, since more than half the people I have asked so far either originated in the US themselves or work for companies headquartered there.

There can be no such bias in the voting for second place which has gone emphatically to Italy. And that, despite my vows to shun the stereotype views formed in a long-lost youth, did surprise me. But it does not do so any more, thanks to a newly received report produced jointly by the Bernadina International headhunting concern and the BGN Europe management consultancy.

"Italian managers have had a rash of recent success in corporate assignments abroad," says the document (which is available from BGN's Jack Berry at Via Frons 22, 20146 Milan; telephone (02) 46 27 42).

It then summarises interviews with 14 such managers—some of whom have returned home only to wish they were abroad again—before drawing conclusions as to why Italian managers are in such strong overseas demand. The reasons offered might well make instructive reading for would-be self-exporting executives from elsewhere in the world.

The golden rule for being successful as an expatriate, the report suggests, is to avoid continually trumpeting the tub about the superiority of one's native heritage.

"Some other nationalities, especially those with an imperial past, feel more or less obliged to crusade for their own culture and history. This of course produces difficulty in accommodating others. The Italians on the other hand, while not without their own deep cultural commitment, feel less competitive on these grounds."

The second reason cited for their overseas success is that they are often highly talented at finding the common grounds on which people of different origins can work together. "If a German becomes vice-president Europe for a US multinational others may mutter 'Deutschland uber alles', the document says, "whereas an Italian does not produce upset."

"Next comes Italians' willingness to absorb more northerly countries' hard (if not bone-) headed working cultures while retaining what one of the

managers interviewed called a "biological approach" to overcoming difficulties. I fear his meaning is still not quite clear to me despite the report's assurance that "this was explained in terms of their history, combining conceptual 'reality' training with the use of intuition to solve untractable problems."

But few things could be clearer than the final words, which is stated in the words of another of the managers in the study. "We are fast learners, able to pick up new disciplines quickly. We think on our feet."

Those, the document adds, "are traits necessary for success regardless of national background." D'accordo, d'accordo, as I'm told they say in Italy.

touch of that button will fill the whole place with alarm and despondency."

Having once worked for an all-out entrepreneur myself, I knew the feeling. Which is why I would advise people who have not yet undergone the same experience to have their shock absorbers thoroughly checked before even applying for today's first job which is offered through recruiters Lloyd Chapman Associates.

It is for a professional manager to take the top organising role in a freshly formed group headed by not one wisecracking client, but two. The duplication arises because the 300-employee group has been assembled from a brace of go-getting outfits. One is in financial services such as investment management and leasing which will make up the main activity of the new combination. The other is in computer services including technical advice and support.

The newcomer will be entitled managing director and be on the main board. The base is London, with a fair deal of travel around the group's 17 branch offices in Britain and on the Continent.

I'm informed that besides having instilled and maintained good managerial order in some comparable type of business, applicants should be acquainted with computer technology and "skilled at picking up and put-

Spot FX Dealers

£ negotiable + bonus

Our client, a major US bank is seeking to strengthen its already substantial London dealing presence.

Ideally, you will be a graduate in your mid twenties and have about two years' spot foreign exchange dealing experience with an active bank.

For the right candidate this opportunity offers excellent career prospects within a highly professional treasury operation.

Those interested should contact John Green on 01-404 5751, in strictest confidence, or write to him at 39-41 Facker Street, London WC2B 5LH quoting reference 3749.

MP
Michael Page City
International Recruitment Consultants
London Brussels New York Paris Sydney
A member of Addison Consultancy Group PLC

Warning

WHEN visiting a former colleague in a tycoon-run group a while ago, I went to take the elevator to the floor my friend worked on. But before I pressed the conventionally placed call button, my arm was seized by a burly commissionaire.

"Not that one, sir. This one," he pointed as he pointed to a second, smaller button lower down. "The other's just for the chairman. He said he'd be away all today, you see, and

Mixed pair

HE IS Tony Neville, chief of Anthony Neville International, who is offering two posts on behalf of separate companies.

The first is a computer software and applications business which seeks a director of operations with expertise not only in the technicalities of the company's domain but also in providing maintenance and training to customer organisations.

While based just west of London, the recruit will be respon-

WILSON

At Fidelity International, we have one of the most successful track records of any investment organisation.

For the second time in four years, we have been voted 'Top Unit Trust Management Group' by a leading financial publication.

Our Pension Funds are also market leaders. They have consistently been in the top quartile of all UK Funds for the past few years.

In this country alone, we currently administer a total of £825 million, a figure which has grown rapidly over the past 12 months as we move closer to achieving our goal of becoming a major force in the financial industry of the 1990's.

To ensure that this objective is met,

we now require several Administration Managers at a senior level.

In each case, we are offering an excellent remuneration package which will include a generous salary negotiable in line with experience, a company car, a substantial performance related bonus and the usual benefits of a successful company. A relocation allowance is also available if necessary.

If you are interested in joining one of the country's most dynamic investment organisations, please write enclosing a C.V. or contact Gerry Baxter, Human Resources Manager, for an application form at Fidelity International Management (Holdings) Limited, River Walk, Tonbridge, Kent TN9 1DY.

ADMINISTRATION MANAGER — PERSONAL PENSIONS

Excellent Salary Plus Car, Bonus & Benefits

We are fully committed to becoming a leader in the personal pensions market and now require a Senior Manager who will play a key role in our future expansion plans.

This senior position represents a unique opportunity to progress to director status within the company. You will assume full responsibility for establishing and running a new department to control all aspects of personal pension plan administration.

As a member of the Product Steering Committee, you will be directly involved at every stage of the product development — from staff recruitment and training to the determination of departmental objectives and strategy. Your responsibilities will also include assisting in the development of a new computerised system and liaising closely with the relevant investment and marketing divisions at a senior level.

You will probably be in the management position and your background should include at least 5 years experience with an insurance company or similar organisation involved in the administration of personal pensions. A professional qualification would be an advantage, but the appropriate experience is more important.

BERMUDA · BOSTON · HONG KONG · JERSEY · LONDON · NEW YORK
SAN FRANCISCO · SYDNEY · TAIPEI · TOKYO

Fidelity INTERNATIONAL

Finance Director Property Development

Our client, a highly regarded, privately-owned property development and investment company based in central London, wishes to appoint an outstanding finance professional to join its head office management team and contribute to the continuing success of the business by introducing a creative approach to the finance function.

Aged 28-40, the Finance Director will have full responsibility for developing and implementing effective accounting and control systems, the production of financial and management accounts, budgets and forecasts as well as risk evaluation, appraisals and the funding of projects in hand.

Experience of operating financial systems in a commercial environment is essential, as is an accountancy qualification or similar. The successful candidate will demonstrate a high level of initiative, integrity and the ability to participate as a member of an enthusiastic team. Knowledge of project financing and/or property would be an advantage.

An attractive base salary is offered for this key position augmented by a full benefits package including bonus, car, FPP and pension.

Please reply in confidence with full c.v. details to Box No. 4Es, Search Resources International, Chronicle House, 73-75 Fleet Street, London EC4Y 1HY.

Institutional Sales Executives UK and Continental Markets Up to £100,000

Our client is the investment banking arm of a major international institution which is developing business with institutions in London and on the Continent. The principal areas of focus are the UK and Continental markets with a strong belief in a research driven approach — it does not make markets.

In parallel with the corporate finance department, the equity sales team concentrates on medium and small sized companies. Coverage of alpha stocks is confined to specialist industrial sectors.

They are seeking entrepreneurial institutional sales executives who have gained at least two years relevant experience and a proven ability to develop business. Successful candidates will have an analytical capability and may be expected to visit companies either alone or with analysts.

The remuneration package will be exceptional in those individuals capable of bringing the qualities and commitment necessary to build a successful business.

If interested please contact us by telephone on 01-628 0989 or alternatively written applications quoting reference ISE 19022/FT will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager.

Campbell-Johnston Recruitment Advertising Limited
3 London Wall Buildings, London Wall, London EC2M 5JY.

Jonathan Wren EXECUTIVE DIRECTOR CORPORATE FINANCE

£75,000 - £95,000 plus benefits

The investment banking division of a major international bank, seeks to appoint a high calibre, motivated senior corporate finance executive. He/she will be currently holding a senior position within a UK merchant bank or investment house, possess a wide knowledge of investment financial products, have the ability to negotiate at CEO/chairman level with PLC clients and most importantly have the flair to lead a team.

The successful applicant will assume responsibility for the UK corporate finance product lines and the generation of new business. Principal activities will be: — M & A's — advising on both defensive/offensive bids, takeover panels, stock exchange rules/regulations, monopolies commission practices etc. and the raising of capital via listings, rights issues, etc. A thorough knowledge of the capital markets is essential as the generation of capital markets issues is considered an important part of the company's strategy. Although the majority of the business will be in the UK, occasional trips overseas will be required, for example where overseas acquisitions or stock exchange listings are required.

The successful candidate will probably be in the 40 to 45 year age range, reflecting the seniority of the position.

Please contact Brian Gooch — Director, or Simon Carter either by telephone or by forwarding a comprehensive cv. All applications will be treated in strict confidence.

LONDON BRUSSELS HONG KONG SYDNEY

Jonathan Wren Recruitment Consultants
No.1 New Street, (off Bishopsgate), London EC2M 4TP.
Telephone: 01-623 1266. Fax: 01-626 5258.

Hanover Druce Financial Services

COMMERCIAL MORTGAGE CONSULTANT

We require an experienced person in the field of Commercial Mortgage Broking to strengthen our present team.

As a subsidiary of Hanover Druce plc, our business activities cover all aspects of commercial mortgages up to multi-million pound funding with support being given not only to our associated companies in the hotel and leisure industry, nursing homes and general commercial estate agency, but also developing business on an independent basis outside our group.

Based in the West End, but providing national coverage, the ideal applicant will have in-depth knowledge of the market and have the ability to communicate with people up to board level.

Excellent basic salary + commission + car + BUPA all form part of the overall package for this exciting opportunity.

Apply in confidence to:-

Hanover Druce Financial Services, Suite One, Cavendish Court, 11/15 Wigmore Street, London W1H 9LB · Ref: D.C.F.

GENERAL APPOINTMENTS
APPEAR ON A WEDNESDAY
ACCOUNTANCY APPOINTMENTS
ON THURSDAY

EXECUTIVE JOBS

If you earn over £25,000 p.a. and are seeking a new or better job

Our team of consultants, all of whom have had managing director level experience, can help you. Our successful Executive Action Plan helps you find appointments quickly and discreetly, particularly in the unadvertised vacancy area.

Contact us for an exploratory meeting without obligation. If you are currently abroad ask for our Executive Expat Service.

32 Savile Row, London W1. Tel: 01-734 3577 (24 hours)

Compaugh

GRADUATES

We are the international investment banking arm of a major Japanese City bank, active both as an underwriter of securities and as a trading house. We seek numerate graduate trainees (language skills a plus) to join our expanding sales and trading team this summer.

If after a successful academic career, you are confident in your ability to prove yourself in the highly competitive but rewarding field of international investment banking, please reply to:

Box A0490, Financial Times
10 Cannon Street, London EC4P 4BY

*Scotland's Premier Fashion
Orientated Group of
Departmental Discount Stores*

—REQUIRE—
A MANAGING DIRECTOR
(DESIGNATE)

to take over full responsibility within one year from the present M.D.
The successful applicant will have a proven record with a major retail group.
He/she must have the necessary experience, talent and drive to take this already highly successful group thru' from its current T/O of £40 million to £100 million in the next three years. This only matches the existing growth rate.
In so doing he/she will ensure their own elevation to millionaire status in the same period.

Replies (please mark Private and Confidential) to the client of

McRoberts Solicitors
152 Bath Street, Glasgow G2 4TB
For the attention of
H Jones

Hoggett Bowers

Executive Search and Selection Consultants
BIRMINGHAM, BIRISTOL, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Director of Marketing

Aviation Financing

London

£35-45,000, High Incentives, Share Option, Car

This is an opportunity to take a leading role in the marketing and arranging of complex financial packages. This small company, owned by major shareholders has established a proven track record in highly competitive international aviation lease financing. It has been operating profitably for a number of years and now wishes to expand its operation. Candidates aged 26-40 years should be high potential individuals with a well proven financial or banking background. Aerospace experience will be advantageous but more importantly is the ability for creative innovative thinking, good communication and marketing skills and a positive self-motivated approach to acquiring new business.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to Mrs. M. Gould, Hoggett Bowers plc, 1/2 Hanover Street, LONDON, W1R 9WB, 01-734 6852, quoting Ref: H13008/FT.

M. W. Marshall & Company Limited

International Money Markets

M. W. Marshall & Company Limited, the leading international money broking company is rapidly expanding its global interest rate related business.

We are looking for high quality brokers with the ability to innovate and motivate, especially those with experience in Swaps, FRAs and Medium-Term markets.

Our international operations are closely integrated, and opportunities are available for the right people in many of our offices around the world.

All applications will be considered in total confidence. Please write to:

Richard Toomer,
M. W. Marshall & Company Limited,
Lloyds Chambers,
1 Portoken Street, London E1 8DF,
or telephone Ann Heal on 01-488 4588.

Opportunities in Oil and Gas Exploration and Development

We are looking for:

Reservoir Engineer to age 35 with three to five years of experience

Senior Geophysicist to age 35 with five to 10 years of experience to complement our existing small and successful team.

To be a candidate you will be able to make a full contribution whilst having the flexibility to work within a small team. Please write in confidence with full details, including anticipated remuneration to:

Mrs. J. Bennetts
BLACKFRIARS OIL AND GAS LIMITED
Sixth Floor, Dutch House, 307/308 High Holborn
London WC1V 7LL

ASSISTANT MANAGERS – INVESTMENT ADMINISTRATION

Excellent Salary Plus Bonus & Benefits

This is a unique opportunity to work for one of the world's leading investment companies, without having to commute to London.

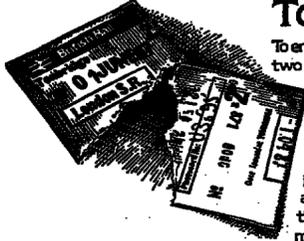
In this country alone, we manage unit trust assets worth over £825 million – a figure which has grown considerably in the past 12 months.

For the second time in four years, we have been voted 'Top Unit Trust Management Group' by a leading financial publication.

Our Pension Funds are also market leaders. They have consistently been in the top quartile of all UK funds for the last few years.

And we intend to build on this performance as we progress towards our goal of becoming a major force in the financial industry of the 1990's.

YOU DON'T NEED A SEASON TICKET TO WORK FOR US.



To ensure that this objective is met, we now require two Assistant Managers to join our Investment Administration Division at our Head Office in Tonbridge, Kent.

Aged between mid 20's and mid 30's, your background will include several years experience in the financial services sector with particular emphasis on investment accounting and administration procedures. Presumably, this will have been gained with a bank, investment company or similar organisation. The relevant professional qualifications would be an advantage, and you will also be required to demonstrate a proven track record in man-management.

Using your leadership skills, you will take charge of a small, but highly efficient team responsible for all aspects of unit trust portfolio administration and accounting. This includes valuations, pricing, processing of investment transactions, preparation of trust accounts and computer systems development and will involve considerable liaison with fund managers, banks and brokers.

We believe that these appointments offer the right applicants real prospects for advancement to senior level positions.

We are offering an excellent remuneration package which includes a generous salary negotiable in line with experience, a substantial performance related bonus and the usual benefits you would expect from a successful company. A relocation package is also available if required.

If you are interested in joining Fidelity, one of the country's most dynamic organisations, please write enclosing a C.V. or contact Jacqueline Guthrie, Personnel Department, for an application form at Fidelity International Management (Holdings) Limited, River Walk, Tonbridge, Kent TN9 1DY.



INVESTMENT MANAGEMENT

Refuge Assurance is seeking an ambitious Investment Manager, experienced in the UK equity market, to join its small team based in London managing a wide range of funds totalling well in excess of £1½ bn.

The successful candidate will probably be aged about 30 and will have a degree or professional qualification.

Salary and benefits will be highly competitive.

Applicants should write with full details to John Cudworth, Refuge Assurance PLC, 68 Pall Mall, London, SW1Y 5EX.

PROPERTY LENDING EXECUTIVES

We need to make several further key Loan Officer appointments to our residential and commercial development lending division.

Our business is interesting, exciting and very challenging, offering the opportunity to achieve solid results by having direct responsibility for helping our clients develop their business, with your contribution directly rewarded by a top salary and performance-related bonus.

You will be working within the specialist finance division of a large international group with household name businesses, but as part of a small highly motivated team.

Probably, you will now be in your mid to late 20s, and a banker, finance house executive or survivor and will be very aware of the outstanding challenge and opportunities in specialist banking.

Previous property experience is a distinct advantage, but not essential, if compensated by your abilities and achievements in other relevant areas of finance or marketing.

Please apply in writing or by telephone to: Clive Lewis,



Consolidated Credits and Discounts Limited
Chelsea House, West Gate, London W5 1DE. Tel No. 01-596 8222.
A LEWIS TRUST GROUP COMPANY

CHIEF DEALER DIRECTOR

An exceptionally good career opportunity has arisen as our client, an expanding City Merchant Bank, is seeking a chief dealer to be responsible for its young and dynamic bond dealing team. Ideally candidates should be in their 20s to 30s, self motivated and with solid dealing experience, especially in US\$ straight.

Very high remuneration will be offered.

Interested candidates should contact:
MARK HAWKING
ON 01-234 6192
JAC RECRUITMENT



UNIVERSITY COLLEGE LONDON

Lectureships in Law

Applications are invited for two lectureships from October 1987. Preference will be given to applicants willing to specialise in Property Law (which may include Personal and Real Property, Trusts and Intellectual Property) and Commercial Law with emphasis on International Trade Law and Conflict of Laws. It is noted that first appointment will be made in the Lecturer A salary range (£28,000 - £32,000 p.a.). Applications (no forms) with full c.v. and names and addresses of two referees to:

Department Secretary
Faculty of Law
University College London
Bartholomew House
4-8, Endelburgh Gardens
London WC1N 3AG
from whom further particulars may be obtained.

Closing date: 30 April 1987

FOREX APPOINTMENTS

For Forex, Capital Markets and Treasury appointments consult a specialist agency
TERENCE STEPHENSON
Prince Rupert House
9-10 College Hill, London EC4R 1AR
Tel: 01-248 6285

WANTED

A position required within a Stock-broking firm for a very successful and highly experienced dynamic complete sales executive aged 28. Has degree and currently studying registered representatives examination.
Reply to Box 40486, Financial Times
10 Cannon Street, London EC4R 4BT.

Fixed Income Administrator

Our client is recognised as a leader among international investment managers. They have substantial assets under management on a global basis and as a result of their standing in the market place are able to attract both institutional and private clients of the highest calibre.

Due to continued growth their London Group is seeking an additional person to join the fixed-income team. The appointee must have client reporting experience, together with an understanding of the activities necessary to provide strong investment management support. The responsibilities will include working closely with the fund management and settlements teams, liaising with clients, providing valuations, and maintaining/reporting cash positions.

Ideally aged late-20s, candidates must be good team players, have excellent communication skills and management ability.

The Company offers a compensation and benefits package designed to attract a top quality specialist. To apply please contact, in complete confidence, Jan Wolf quoting Ref. JW129.

**Lloyd
Chapman**
Associates
International
Search and Selection
160 New Bond Street, London WY1 0NR
Telephone: 01-409 1371

Stockbroking

Est-ce que vous dirigez votre carrière? Ou votre carrière – se dirige?

I am looking for experienced UK and French Equity salespeople to join a well-established City stockbroking house which has the backing of a major European institution.

You must be able to demonstrate a successful track record and be completely au fait with your product.
Me telephones, d'abord pour le discuter en confiance.

Head of Private Client Department

A UK stockbroker is seeking a mature, experienced person to 'head up' its rapidly expanding Private Client Department.

Candidates will only be considered if they have a wide-ranging, up-to-date knowledge of Private Client investment and possess qualities of leadership and management. Directing and co-ordinating a busy team will be an essential part of this post. **£ highly negotiable**

Please call Christine Hough on 01-481 3188 in complete confidence.

CHARTERHOUSE APPOINTMENTS

CHARTERHOUSE - WORLD TRADE CENTRE - LONDON EC3N 3AF - 01-481 3188

mothercare

COMPANY SECRETARY

c.£25,000 p.a. + Car

The appointment of our company secretary to a new position within the Storehouse Group has created an exceptional and highly challenging career opportunity with Mothercare.

The successful candidate will have a sound commercial track record and hold a professional qualification as a solicitor, barrister or chartered secretary. He or she will be responsible for providing legal and corporate services including key areas of pensions, employee share schemes, contract documentation, trade marks and insurances.

Applicants are likely to be in their mid twenties to mid thirties and must be able to communicate effectively at all levels. The appointment will be based at Mothercare's Headquarters in Watford. Starting salary c.£25,000 p.a. and a company car will be provided together with other benefits appropriate to a position of this level.

Please write with details of your experience and qualifications to Bernard Greaves, Chief Executive, Mothercare UK Limited, Cherry Tree Road, Watford, Herts. WD2 5SH quoting reference FT15/4.

MANUFACTURERS HANOVER

Syndications and Asset Swaps

We are expanding our activities, and require an additional professional to maintain and extend our ability to distribute floating rate products, including loan assets and synthetics.

The successful candidate will be responsible for distributing floating rate products to a group of accounts within the international financial sector as well as expanding the sales outlets of the team. He/she will demonstrate strong relationship management skills, natural selling ability and a firm grasp of the techniques and markets involved.

He/she will probably be in their mid or late twenties, will currently occupy a position at a North American, British or European bank, and will have at least two years' directly relevant experience.

Competitive remuneration will be offered for this position, together with a generous benefits package, including a subsidised mortgage.

Please write with full CV to General Manager, Personnel, Manufacturers Hanover Limited, 7 Princes Street, London, EC2P 2EN.

The Investment Banking Group

Regulation - IMRO

At the heart of the Investment sector

£15-25,000

Regulation offers the unusual combination of personal and intellectual demands posed by an environment of rapid change and outstanding long-term career prospects.

IMRO (The Investment Management Regulatory Organisation Limited) is at the forefront of development in regulation and compliance. We are interested in hearing from graduates with at least 2 years' financial services experience or lawyers and accountants who have had exposure to the sector. The wide-ranging nature of the roles offered demands technical and personal skills of the highest order.

You will work both individually and as part of a team in assessing potential members or on compliance inspections and investigations. These will centre upon fund management and investment advisory businesses from the major merchant and investment banks to smaller independent concerns - offering unique opportunities to gain first hand knowledge of the sector.

For further details, please contact Nick Root on 01-404 5751, or write enclosing a full c.v. to Michael Page City, 39-41 Parker Street, London WC2B 5LH. Strict confidentiality assured.



Michael Page City

International Recruitment Consultants - London Brussels New York Paris Sydney
A member of Addison Consultancy Group PLC

CJA

RECRUITMENT CONSULTANTS GROUP

3 London Wall Buildings, London Wall, London EC2M 5PU
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374 Fax No. 01-256 8501

Opportunity to help build a new Capital Markets Research Group



SENIOR ANALYST - FIXED INCOME RESEARCH

CITY

£230,000, CAR AND GENEROUS BENEFITS

EXPANDING GLOBAL CAPITAL MARKETS ARM OF MAJOR INTERNATIONAL BANK - PIONEER AND LEADER IN THIS FIELD

For this new appointment, the result of rapid growth and success in the promotion of the latest Capital Markets Instruments, we seek Honours Graduates in a mathematical or closely related discipline aged 25-28. Formal training in financial securities analysis will have been followed by not less than three years as an analyst with a prominent institution noted for its record and research methods and will include at least 1 year following international fixed interest markets. Reporting to the Head of Department, the successful candidate will be responsible for initiating and communicating productive research into major global fixed interest markets in U.K., Europe and elsewhere with particular emphasis on the futures/options scene. Key to the success of this appointment is an imaginative, client oriented approach plus the ability to react positively under pressure to fast changing market trends. A high level of autonomy will be vested in the individual and some travel is involved. Initial salary negotiable c.£30,000, car, mortgage facility, non-contributory pension, free life assurance and BUPA. Applications in strict confidence under reference SAF 19024/FT will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager.

CAMPBELL-JOHNSON RECRUITMENT ADVERTISING LTD., 3 LONDON WALL BUILDINGS, LONDON WALL, LONDON EC2M 5PU
TELEPHONE: 01-588 3588 OR 01-588 3576. TELEFAX: 01-256 8501

Corporate Finance - Graduate Trainee

Manchester

Rothschild's busy and expanding Northern Division is seeking to recruit a graduate to commence work in October. The successful candidate will work in a stimulating and testing environment as a member of the Corporate Finance Department of the Manchester Office.

The successful candidate must be able to demonstrate their numeracy and a keen interest in business. Initial training will be carried out at the Corporate Finance Division in London.

Remuneration will be fully competitive and the Company provides excellent employment benefits, including profit sharing.

Please send a full curriculum vitae or Standard Application Form to:

The Personnel Director,
N M Rothschild & Sons Limited,
New Court,
St. Swithun's Lane,
London EC4P 4DU.

N M Rothschild & Sons Limited



Appointments Advertising

£43 per single column centimetre
Premium positions will be charged
£52 per single column centimetre
For further information, call:

01-248 8000
Daniel Barry
Ext 3456
Emma Cox
Ext 3351
David Rhodes
Ext 4676

SWISS BANK CORPORATION INTERNATIONAL (SBCI) is one of the world's leading investment banks and a major presence in the global capital markets, with operations in Tokyo, New York and other financial centres. The bank enjoys a leading reputation as an international underwriter and, within the last six months, has established a commanding presence in Far Eastern equities. Our strength in European equities will be substantially reinforced by our forthcoming acquisition of Savory Millin.

Tokyo

European Equity Sales -

Japanese National

The scope for the sale of foreign equities to Japanese fund managers in Tokyo is immense, and we are seeking a Japanese national who, after a period of orientation in London, will transfer to the rapidly expanding Tokyo branch of our subsidiary, SBCI Securities (Asia) Limited, to assume a senior role in the European equities sales unit. The individual we seek will have:-

- a good understanding of the European equities market;
- substantial securities sales experience;
- fluency in English;
- first rate communication skills;
- the ability to thrive in a demanding environment.

There are outstanding prospects for career progression within the SBCI Group. Remuneration, which will include all the usual investment banking benefits and the opportunity to earn a substantial bonus, is negotiable. Applications from non-Japanese nationals who have appropriate language skills, relevant experience and an in-depth familiarity with Japanese culture and business practice will certainly be considered.

Those who wish to apply should write, enclosing a curriculum vitae, to: Alexander Campbell, Personnel Manager, Swiss Bank Corporation International Limited, Three Keys House, 130 Wood Street, London EC2V 6AQ.



Swiss Bank Corporation International Limited

BOROUGH TREASURER'S DEPARTMENT

Borough Treasurer

Salary £26,439-£28,104 (inclusive of London Weighting)

Plus lump sum car allowance £1,452 p.a. (plus enhanced hours payment for overtime)

Southwark is located to the south of the City of London, has a budget in excess of £360m and serves the needs of 225,000 people. There are many new initiatives taking place in the borough dealing with the effects of development pressures in the docklands and the City fringe.

Our present Borough Treasurer has recently been appointed as Treasurer to the City of Sheffield and we are inviting applications from candidates of outstanding calibre and proven management ability for this most challenging and demanding post.

The Borough Treasurer is the Council's principal financial adviser and is responsible for managing the Council's finances in conjunction with Chief Officers. The Borough Treasurer works closely with Councillors, the Chief Executive and Chief Officers in formulating and implementing the Council's policies. Major initiatives include service delivery reviews, Council Action Plans, the development of Strategic Planning, Job Creation, Equal Opportunities and raising new external sources of finance.

The Borough Treasurer's Department itself is divided into three divisions (Financial Services, Exchange Services and Computer Services) and comprises a total of 400 staff.

This key position calls for a qualified Accountant (ideally CIPFA) with a minimum of five years' relevant experience at a senior level in a large organisation, preferably in the Public Sector.

THIS POST IS OPEN TO JOB SHARING.

We are an equal opportunity employer. Applications are welcome from candidates regardless of race, nationality, sex, marital status, sexual orientation, disability, age, religious beliefs or domestic circumstances.

Telephone 01-703 9279 (24-hour answering service) for an application form, or write to:

The Personnel Officer,
London Borough of Southwark,
25 Commercial Way, London SE15 6DG.
Please quote reference FT/2/8062.
Last date for receipt of completed application forms: 7.5.87.

SOUTHWARK

CV HUMAN RESOURCES

AUDIT/TREASURY MANAGER

West London c£17,000 p.a.

A major £5 billion turnover multi-national pharmaceutical, consumer and household products manufacturer needs a qualified accountant for a key role in financial management. You should be in your mid to late twenties, be self-motivated and have excellent communication skills, and be used to the demands of a fast moving company. Reporting to the Group Chief Accountant you will manage the internal audit and be responsible for all corporate, legal and group requirements conducting continuous checks and developing protection systems. Treasury responsibilities will focus on cash management and forecasting. Your background must include experience of auditing and computerised accounting, and you should have had some exposure to treasury activities. The company provides 'blue chip' benefits with ample opportunity for career development. Ref: 1/0/1

CARE Ltd.,
L.C.S. House, Oldfield Lane North, Greenford, Middlesex U6 0AL.
01-755 7070

BANKING POSITIONS

BOND SALESPERSON 20s Salary neg. and Pension Sweden, working with minimum 1 year's bond sales experience sought by well-known and highly respected bank.

MONEY MARKET SALESPERSON WITH SPANISH OR ITALIAN 20s Salary neg. and Pension. Premier investment bank seeks Spanish or Italian speaking M&P or C&I salesperson. Minimum one year's experience of selling class instruments for a bank.

BANK SOLICITOR mid 20s/early 30s c£24,000 p.a. Well-known international bank seeks fully qualified solicitor (not barrister) preferably with banking experience of drawing up legal documentation for loan agreements. The person appointed will join a team of 5 within the bank and will liaise with merchant banking back-office. Please speak with Elizabeth Barry 01-772 9046.

FINANCIAL SERVICES

PART QUALIFIED ACCOUNTANT-STOCK-BROKING BACKGROUND mid 20s c£15-20,000 pa. An interesting position has arisen for a part qualified ACA/CMAA to act as a stock broker. This is an important appointment within the bank. The successful candidate will be responsible for liaising with the Financial Director, a knowledge of Stock Exchange regulations and the ability to liaise with clients is important as is a 2-4 years' experience in the stock office of a stockbroking firm. A knowledge of full financial services is an advantage. Please speak with Cheryl Brock on 377 5040 regarding the last position, or write to:

LJC BANKING APPOINTMENTS
Devonshire House, 145 Bishopsgate, EC2M 4JX.
01-377 5040

Sales Executive N. American Equities

As a member of the New York Stock Exchange, we require a Sales Executive with experience of N.American Equities to service institutional clients in Europe.

The position will be based in London. Applicants must have NYSE series 7 registration and be fluent in at least two European languages. We offer an attractive salary and benefit package. Career prospects are excellent.

Please write enclosing full CV to:
Garth Hughes, Kleinwort Benson Group,
PO Box 191, 10 Fenchurch Street, London, EC3M 3LB.

Kleinwort Benson Group

VIVIAN GRAY & CO

BOURNEMOUTH/POOLE

Challenging position exists for S.E. Member/Registered Representative to advise high net worth individuals in a central retailing location.

LONDON

Partners' Assistant required in Private Clients Department. Applicants must have good knowledge of Stock Exchange procedures and be experienced in reviewing and advising on trust and personal portfolios.

Preferred age 24/30.

Apply in writing, with curriculum vitae, to:
The Staff Partner
VIVIAN GRAY & COMPANY
Lang House, 10/13 Dominion Street
London EC2M 2UX

Operations Manager

Our well established and growing LDT requires an Arabic speaking Operations Manager with similar experience in a bank in London. Skills in EDF, Treasury, accounting, placements, budgets, managing staff and customer relationships are necessary. Preferred age 30-45. For this important position salary is negotiable depending on experience, and a full package of fringe benefits is provided.

Please send your c.v. to:
The Managing Director
AL BARAKA INTERNATIONAL LIMITED
14 Cavendish Square
London W1M 5DA

At a career Crossroads?

Hill Samuel Investment Services is seeking executives, aged 25 to 30 and with experience in industry, commerce or the professions, to become Personal Financial Advisers. All necessary training and support will be given to enable you to promote the renowned range of Hill Samuel personal financial products and services.
Contact David Hall on 01-234 4688
Hill Samuel Investment Services
3rd Floor, 1, Leadenhall Street,
London W1R 5WA

Wanted BULLION DEALER

Several years' experience in various bullion markets including dealing with professional houses, customers and central banks.
Seeks more responsibility in a similar field.
Write Box A0497, Financial Times
10 Cannon Street, London EC4P 4BY

INVESTMENT MANAGER

£ neg. City to an attractive level

We are a small but rapidly-expanding financial group with interests in Lloyds underwriting, investment management and venture capital. Our investment management company is seeking to appoint an additional Fund Manager.

You will have a minimum of five years' thorough grounding in the Securities industry and have experience in the management of international fixed-interest and equity portfolios.

Applicants should forward a full c.v., including details of current salary package, to:

Box A0493, Financial Times
10 Cannon Street, London EC4P 4BY

WHAT ARE YOUR PROSPECTS FOR 1987?

It your view negative or positive? Europe's leading brokerage still has a limited number of positions for 23-35 year old, ambitious individuals. Trainee brokers will receive full professional training and rapidly rising remuneration.
Call the Recruitment Officer on 01-629 0504

THE ARTS

Television/Christopher Dunkley

Worth tuning in to

You could argue that the most interesting things happening in television at present are all occurring behind the scenes: the plans for a radical BBC reformation; the move into satellite; the success of the independent production...

Yet I suspect that this is really just another of those periods when all that is missing is a few - even one - high-profile series capable of focusing our attention on the box. When a series such as *Home* or *Life On Earth* or *The Singing Detective* is running it adds lustre to everything around it...

The fact remains that even in a poor period such as this, anyone who claims "There's nothing worth watching at the moment" is simply not looking carefully enough. Not a day went by last week without one programme at least which deserved attention, and on most days there were two or three.

Wednesday The opening episode of *Beltracchi* makes pretty viewing and brings some impressive dancers to the screen. But is this series going to do something that *The Magic Of Dance* did not? And does the BBC putting enough money into dance items as well as into analytical programmes about dancing?

Thursday This week's 40 Minutes on BBC1 is one of those marvellous accounts of British idiosyncrasy at which this series excels. John Alexander details an obsession which I had never heard of, even in my days as a local news-

paper reporter. Dahlia shows and marrows contests are familiar to me, but before Thursday the cultivation of the giant leak was a closed book. It seems that many papers are carried upon Durham - and passion is the word. We meet men who spend 12 hours a day in their allotments pampering these giant vegetables, smothering the leaves, measuring them from root to button, and even playing music to them.

seems that research is this programme's only strength. Gus Macdonald, a clever choice for studio chairman since he would not be in the least over-awed by Frost, Hartley, and Kenneth Williams might have organised a truly telling discussion, but is not given a chance. The programme never asks why that shows are so popular, it never delves into the truth of the business - the package deals put together by the PR companies. It is a succession of wasted opportunities.

Friday The two programmes which had sounded most promising tonight are, indeed, disappointing. Some of the most memorable editions of *BBC's Arena* have had least to do with contemporary arts subjects: the programmes on the Ford Cortina and the hit song "My Way" come to mind. So today's edition from the archives is promising, and sure enough it opens with a wonderful clip from *La Tosa Tonight*, which I remember only as a radio review. There are other collections from the archives such as Ralph Richardson destroying the ethos of the Russell Harty show by ignoring the guest's chair and peering behind the drapes. But it

Booker Prize panel for 1987 announced The chairman of the judging panel for the 1987 Booker Prize for Fiction is the crime writer P. D. James. She will be joined by Salman Rushdie, Alan Maase, both writers; Trevor McDonald, of Channel 4 News; and John Thompson, director of Radio for the BBC. The judges will meet in September to choose a short list of six novels. The Prize, established in 1969 at £5,000 and now worth £15,000, will be awarded on October 29.

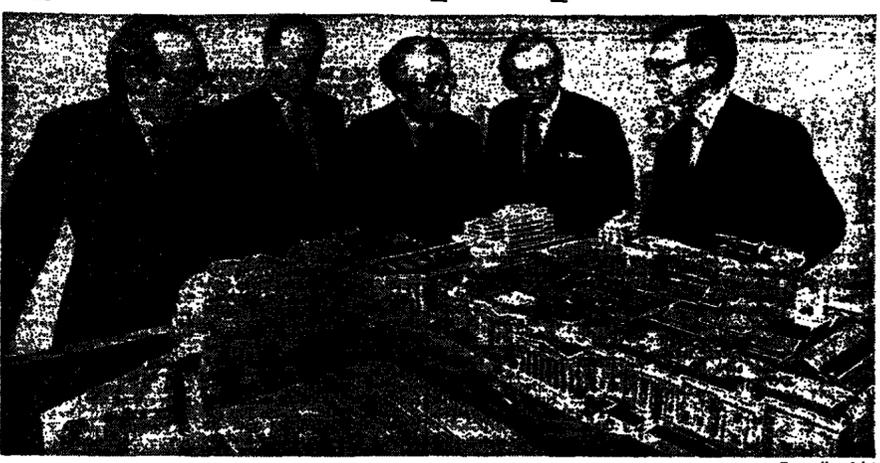
Before taking up questions of suitability and content with regard to the Venturi, Rauch and Scott Brown design for the National Gallery's Sainsbury Wing, it pays to remember Sainsbury's comment on the Gallery itself: the mistake of our architects in general is that they fancy they are speaking good English by speaking bad Greek. Yet even with its reputation for short columns of Corinthian columns from Carlton House, the Gallery, as an example of English classicism with its rhythmic procession of columns and pilasters, is now in the position of representing tradition, and not a deviation from it.

Robert Venturi's own early views on incorporating architectural tradition into a temporary design stem from ideas expressed by T. S. Eliot in his essay *Tradition and the Individual Talent*. "The historical sense involves perception, not only of the past but of its presence," Eliot wrote. Lytton understood this presence when he went to America to visit Colonial Williamsburg because he despised the British Embassy in Washington. But little did Venturi know when he wrote about Blenheim in his treatise, *Complexity and Contradiction in Architecture*, that words "infected" towards the central pavilion would be but fragments on their own - that over 20 years later he would seek a similar solution.

Every Man in His Humour Martin Hoyle John Caird's production does the work proud. Simon Russell Beale's re-embodiment to the accepted likeness of Jonson is Jonson's exuberant and not too cohesive parade of grotesquerie is beautifully illustrated after loud-mouthed Captain Bobadil (Pete Postlethwaite) has been thoroughly trounced and lies humiliated on the ground. His admirers hang their heads in embarrassment and disillusionment, and a Jonsonian caricature fleetingly acquires painful humanity. Never mind the cumbersome

The National Gallery Extension/Paula Deitz

The presence of the past prevails



Simon Sainsbury, Jacob Rothschild, Robert Venturi, Sir John Sainsbury and Timothy Sainsbury with the model for the new Sainsbury Wing

and from the FT's Colin Amery who therefore will not comment on the proposal at this time. To delay no more, the Sainsbury Wing has Corinthian pilasters, which begin in the same corner cluster with balustrade and dentils above as the corner of the National Gallery across Jubilee Walk. But then as they accelerate in syncretic rhythms rather like a runoff of pilasters, the other classical details begin to fade and a final note is sounded by a solo half column extending beyond the pilasters. This is a focal point of the facade which harmonises with the Wilkins' portico.

Every Man in His Humour Martin Hoyle John Caird's production does the work proud. Simon Russell Beale's re-embodiment to the accepted likeness of Jonson is Jonson's exuberant and not too cohesive parade of grotesquerie is beautifully illustrated after loud-mouthed Captain Bobadil (Pete Postlethwaite) has been thoroughly trounced and lies humiliated on the ground. His admirers hang their heads in embarrassment and disillusionment, and a Jonsonian caricature fleetingly acquires painful humanity. Never mind the cumbersome

third of the Sainsbury Wing is devoted to art. Though one cannot completely condemn museums for earning badly needed income, one applauds Venturi for giving the visitor a choice, for the grand ceremonial staircase rising along the whole Eastern wall of the museum also functions as a by-pass around the commercial amenities and is a direct route to the main galleries on the upper floor.

Following the theory of "why change it if it works," these settings, neither slavishly palatial nor ultra anonymous modernist, provide the proper scale and ambience for the Gallery's collection. One hopes, regardless of the surface texture and colour of the walls, that they will consider if not gliding at least treating the edge of the arches as at Dul-

wich - for that touch sharpens the perspective. Like Dulwich, the galleries will be top lit, an improved arrangement of skylights over clerestories in a system which will positively differentiate between indirect daylight and incandescent light as required. These will be augmented on some days by spot lighting.

Of the main staircase, the mezzanine landing leads to a coffee bar, a computer-based information room, and the main restaurant overlooking the activities of Trafalgar Square through tall windows, while downstairs in the basement will be located the lecture theatre and temporary exhibition galleries, which will play a major role in the gallery's activities. Many who know Venturi's and his partner Denise Scott Brown's admiration of Las Vegas-style signage will be relieved that there are no neon lights in the Sainsbury Wing, but there will be signs incised into the articulated Portland stone interior walls - some listing the names of the Early Renaissance artists.

expression - perhaps some patterning in the brick work. Venturi does subtly and well. A few windows are interrupted by a series of small painted cast iron columns, reminiscent of Victoria market halls. Also, in approaching the rear of the building from Leicester Square, one has not a clue from the wide ventilator in a blank wall of the service tower what if anything is happening on the other side. Even a group of trees cannot conceal this lack of refinement.

Venturi himself says more attention to certain detailing is still to come. In the main, though, the fragments and diversity of design create a unified gallery experience that is both intelligent and enjoyable. In fact, one already has the impression, after seeing the model, of its always having been there, balancing at the other end the south wall of St Martin-in-the-Fields. And at night its Paxton-style glowing glass roof rising above the parapet will cast a magical glow across the square - a distinctive and harmonious presence, yes, and maybe, in Ruskin's phrase, "good English" too.

Get your News early in Köln Sie erhalten die Financial Times im Abonnement durch Boten zugestellt. Näheres erfahren Sie von Europe Ltd. Guilletstraße 54 6000 Frankfurt/Main 1 Telefon 069/7598-0 Telex 416193

Arts Guide Theatre LONDON Les Histoires Dangereuses (Ambassadors) Christopher Hampton's stately version of La Fontaine's novel is sexy, witty and wise, like a collaboration between Moliere and de Moliere. Howard Davies' well-out pre-revolutionary production for the RSC has moved from the Fitz. Mollnesse (Bartholomew) Rarely seen Shaw, and a much understated play, gives the full RSC works by John Caird, a Polish new woman cradling into the survey conservatory in her scopophilia. Jane Lapotnik speaks alongside Brian Cox, musicologist Spragg and newcomer Richard McCabe (028 9706, CC 628 8991). The Phantom of the Opera (Her Majesty) Spectacular but emotionally neutral new musical by Andrew Lloyd Webber emphasizing the romance in Leroux's 1911 novel. Highlights in a wonderful Paris Opera ambience designed by Maria Bjornson. End Britain's best theatrical production contains a superb cast performance by Michael Crawford. A new, meticulous and sellable hit. (028 2244, CC 378 6121/240 7200). Women in Mind (Yessville) Alan Ayckbourn's new comedy has a brilliant performance by Julia McKenzie as a dissociated housewife visited on her own garden lawn by an imaginary ideal family. Black but funny, hailed in some quarters as vintage Ayckbourn drama, but not yet off by that. (028 2877/8640). Straight Express (Apollo Victoria) Andrew Lloyd Webber's rollercoasting hit has 10 minutes of Spylburg

Arts Guide Theatre NEW YORK One (Winter Garden) Still a sellout. Trevor Nunn's production of T.S. Eliot's children's playset is lively, music is visually striking and choreographically deft, but stands only in the sense of a rather staid and overblown idea of theatricality. (028 8262). Good Street (Majestic) An immediate celebration of the history of Broadway in the original film film Shuffie Oz To Buffalo with the approx-

Arts Guide Theatre CHICAGO Fame Boys and Dinahs (Apollo Theater) Fantastic look at country music and down-home country life with a good beat and some memorable songs, especially one played on kitchen utensils has proved to be a durable Chicago hit. (935 8100). WASHINGTON Omens and Omens (Arara) American premiere of Anne Devlin's drama of three women trying to balance personal and political conflicts in New South Wales stars John Leonard, Heather Ehlers, Randy Denton and Christina Moore, directed by Les Waters, Ends May 10. (498 3300). Kennedy Center: Imagination Celebration 1987, a nearly month-long present of music, dance and drama, presented by the Kennedy Center, 1400 Constitution Ave. N.W., Washington, D.C. (202 452-1111).

Arts Guide Theatre TOKYO La Tragedie du Cuirassier Peter Brook's renowned original production. The Peter Brook Company directed by Brook has been chosen to open Tokyo's newest theatre, the Giza Salon. By eliminating the usual opera libretto and distractions, concentrating on the main character and convincing acting and relegating the (conductor-less) orchestra offstage, Peter Brook's version ensures that nothing interferes with the drama and realism. In the five years since which this Carmen has been seen in Europe and the US, Japan has campaigned for its performance here. But Brook rejected every suggestion venue. This unlikely modern theatre was accepted because of its flexibility. The newest cultural jewel of the Seibu Group is so descriptively converted into an arena space, complete with red sand floor and plain high walls that it has been made to look like Brook's Paris home, the famed, gutted Theatre des Bouffes. Other Bouffes include the civilised 130 (3.00 at weekends) visit and restaurants for after-theatre dining. Giza Salon Theatre (035 0520, 997 8920). Salsome by Richard Strauss, Berlin National Opera, Orchestra conducted by Siegfried Faltz. Double cast includes: Herod - Günther Krutz, Peter Jung-Schmidt; Herod's wife - Gisela Schreyer, Zuzana Mizurik; Salome - Eva-Maria Bundschuh, Cynthia Mackay-Johnson - Erika-Hard Walchke. Set by Wilfried Wera directed by Eury Rieger, Tokyo Bunka Kaikan (Wed, Thur), (032 7141).

Arts Guide Theatre EVERYMAN IN HIS HUMOUR Martin Hoyle John Caird's production does the work proud. Simon Russell Beale's re-embodiment to the accepted likeness of Jonson is Jonson's exuberant and not too cohesive parade of grotesquerie is beautifully illustrated after loud-mouthed Captain Bobadil (Pete Postlethwaite) has been thoroughly trounced and lies humiliated on the ground. His admirers hang their heads in embarrassment and disillusionment, and a Jonsonian caricature fleetingly acquires painful humanity. Never mind the cumbersome

ICA's Home Work season Claire Armitstead earth-bottomed tank strewn with ephemera, the brothers Stone manage to render their material accessible, encouraging rather than bullying their audience into accepting their terms. Annie Griffin contrasts with both in that she speaks a story, and a ripping nautical yarn that. Sub-titled A Melodrama in Several Parts, this is the tale of Blackbeard the Pirate. Annie Griffin (Van Hemelrijck springs to mind, since in their very different ways both these artists are simultaneously telling a story and setting an emotional scene that is linked and yet distinct from the other. In Terra-cotta, Van Hemelrijck played an eccentric "deity" who makes and breaks his trivia universe while running the gamut of strictly human feelings stemming from loneliness. Annie Griffin, in telling a story that embodies the worst excesses of machismo, develops a persona that is retrofitted, entirely female. Her tale of butchery on the high seas is interrupted by little snippets of information about her dress (a fine black velvet and dramatic number indeed), so the says from her great grandmother. She painstakingly illustrates the geography of Blackbeard's Caribbean haunts by sprinkling sugar on the floor, and the wool from a line to depict the fates of various ships of the day. It is a wonderfully detailed performance from whom I'm sure we will be hearing a lot in the more. Endymion Ensemble/St John's Dominic Gill Monday night's Endymion Ensemble concert was devoted largely to British premieres of chamber works from Finland. The opening work was not a premiere - although the music of Bernhard Henrik Crusell, an older Finnish contemporary of Schubert, is not often played here. His clarinet quartet, dating from 1821, revealed only actually the "possibility" of the programme-note: a charming piece nonetheless, whose sensibility is perhaps nearer to that of Weber's (as it happens Crusell and Weber were actually friends). Erik Bergman's Silence and Eruptions for nine instruments is a neat, almost Zen-like investigation and contrasting of sounds near the boundaries of audibility with sounds substantial and strident. It's an exceptionally lively and power of two.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF
Telegrams: Finantime, London P54. Telex: 8954871
Telephone: 01-249 8000

Wednesday April 15 1987

Making room for Turkey

ARGUMENTS for rejecting Turkey's application for EEC membership are not hard to think of, yet it is unthinkable to send the Turks away with a fiat no.

It is true that only a small part of Turkey's present territory is on this side of the Bosphorus, where—according to generally received wisdom—the European continent ends and Asia begins; and that Turkey belongs to the Islamic world. But it is also true that Turkey was for centuries a major European power; and that since the 1920s Turkey, while remaining Moslem, has treated religion quite differently from any other Moslem country, seeking to confine it to the private sphere as Western states have done to Christianity. It would be difficult for a Community composed of secular states, many of which now have sizeable Moslem minorities, to refuse Turkey's application on the grounds that Turkey has never been Christian.

Long process

There are serious doubts about Turkish democracy in its present form. Things have certainly improved since the period of direct military rule, but civil liberties remain much more restricted than in any West European country.

Those would certainly be powerful arguments against admitting Turkey now, without conditions. But the process of examining an application for membership is a long one, and a final decision does not have to be taken until the end of it. That means there is going to be a long period during which Turkish governments—and the Turkish armed forces—will have a strong incentive to maintain the momentum of liberalisation. EEC membership has helped to stabilise democracy in Greece, Spain and Portugal. It could do the same for Turkey.

Local finance in a mess

THE IDEA of making a speech which would simultaneously frighten Labour-controlled local authorities in Britain, and the Japanese banks which have increasingly been financing them, has clearly been too tempting for the Environment Secretary, Mr Nicholas Ridley, to resist. He has denounced local authorities which have been capitalising their expenditure to escape Government restrictions, and warned the banks that this borrowing is not Government-guaranteed.

However, he has quickly been reminded that those who live in glass houses throw stones at their own risk, even when their aim is to kill two birds at once. His Labour opposite number, Dr John Cunningham, has quickly pointed up official figures which show that the Government's proposals for the future financing of local expenditure through a uniform community charge are unworkable.

In inner city authorities, and in inner London especially, the charges are implied for families just above the poverty line are absurd. In Camden, for example, which is the worst case, the weekly charge for each member of a household above the age of 16 would be nearly £15.

Baroque complications

This is nearly twice the current average rate bill in this heavily-taxed borough, and a much higher multiple of the charge now collected from low-value dwellings—a charge which is in any case reduced for low income ratepayers. The only likely result is summed up in the title of a recent report by Dario Fo: Can't pay, won't pay.

It would be quite impossible in this space to explain all the Baroque complications which have led to distorted financing by local authorities (not all of them Labour-controlled) and to such clearly unacceptable results. Even the sketchiest analysis, though, shows large faults on both sides.

The Treasury's share of the mess—assuming that the Treasury obsession with controlling elected local bodies is justified at all—lies in a system which persistently bears more heavily on capital than on current expenditure. It is

suffer from Greco-Turkish conflicts. Knowing as they do that their application must in the end be subject to the veto of any one existing member state, the Turks in making it are voluntarily subjecting themselves to Greek leverage in a surprising way. If the Greeks, helped by their partners, respond constructively, the next few years could provide a unique opportunity for resolving these conflicts.

All that is without mentioning the economic problems that must beset an attempt to integrate into the European market an economy of 52m people whose per capita income is barely half that of the present Community's poorest member. Clearly envisaging Turkish membership must mean that we no longer think of the Community as a set of financial arrangements for redistributing resources among member states.

Free access

As for trade, although the Ozeal government has taken important steps to open the Turkish market to imports of goods and capital, most Turkish industries are far from being ready to meet the full force of European competition, while the Community for its part is most unwilling to allow free access either to Turkish textiles or to Turkish labour.

Clearly both sides will want transitional arrangements, but the momentum of liberalisation benefit from a freer market in goods and labour. The West German economy has already benefited extensively from Turkish migrant labour, and one positive effect of Turkish membership would be to give the *gastarbeiter* a more secure status.

It is indeed a formidable agenda of problems to overcome. But the prize—a stable, prosperous, democratic Turkey, prospering in Europe and in the Atlantic alliance—is surely well worth the attempt.

not surprising if authorities resort to such ordinary business practices as sale and leaseback if this makes it possible, for example, to rehouse homeless people kept in hotels at considerable expense.

The Department of the Environment has geared up this incentive with a grant system in which central government support is actually reduced as expenditure passes an officially determined target. This means that authorities over the target can actually attract quite substantial sums from the Treasury by deferring payments.

However, it would be absurd to think that all the expenditure protected by creative accounting are worthy ones. The most persistent sin of Labour-controlled local authorities is charging laughably low rents for council-owned housing.

These rents not only imply a burden on the ratepayers, but they make it very difficult for council tenants to move home in search of work. Realistic rents would not in any case cost the poorer tenants a penny, since they are supported by housing benefit.

Some authorities are also very bad managers, to put it mildly—prone to waste, silly projects and union malpractices. An official efficiency audit may be needed to protect their ratepayers.

Questionable targets

Official target-setting is also questionable. For example, even Conservative inner-city councils find themselves constrained to overspend drastically, by official standards, on social work. The budget of the Inner London Education Authority also "overspends" by some £1,000 per pupil, and this one anomaly is largely responsible for the absurd community charges threatened in inner London.

In short, there is much hard, detailed work to be done before the control of local budgets, both in town halls and in Whitehall, is sufficiently rational to produce tolerable results or to justify threats to banks engaged in perfectly legal business.

FRENCH RAILWAYS SINCE THE STRIKE

Brake on a high-speed future

By David Housego in Paris

FROM a British standpoint, the prospects of the first French high speed train (TGV) cruising into Victoria in the 470 km an hour TGV, mean three-hour journey from Paris offers an uncomfortable contrast in both technology and comfort.

With its own tilting Advanced Passenger Train abandoned, British Rail has been forced to concentrate upon the grim fight to curb losses, rather than dream of a new generation of Trans-European express trains. The 2½ km an hour TGV, meanwhile, linking central Paris and Lyon in two hours, is working a revolution in French domestic travel.

There is, however, another, less sleek side to the Société Nationale des Chemins de Fer (the French railways) which employs 230,000 people—probably 50,000 to 40,000 more than it needs. SNCF, which ran an operating deficit last year of around FF 3bn benefits from the Government of FF 36bn (£3,580m) and is submerged in an outstanding debt of FF 80bn.

The recent rail strike—the longest in French history—is also shown how risky it is to force the pace of change in such a centralised public sector organisation. Both the SNCF leadership and the Government of Mr Jacques Chirac had hoped to achieve a shake up in the structures of the French rail-

ways that would allow for more flexible and decentralised management and for pay increases to be made as much on merit as on age and seniority.

But—as was the case with last year's attempted reform of the universities—the changes produced a backlash amongst the drivers and a more tenacious defence of established interests.

The strike has further added freight traffic and made it more difficult for the SNCF to achieve its target of eliminating operating losses by 1989.

Since the war, SNCF has, like other railways, suffered at the hands of road transport. The number of rail workers has shrunk from a post-war peak of 500,000 to 230,000 last year. The volume of freight that the railways carries has dropped by 20 per cent over the last 15 years and its share of freight traffic has fallen from over 50 per cent to about 40.

France's position as one of the most European countries to protect its rail systems. It limited the number of licences granted to road hauliers, and long-distance hauliers apart from international tourist coaches—are still banned in France from competing on journeys between major cities.

On the freight side, these regulations proved of little avail. Many of the rules were sidestepped even before the decline in oil prices added to road transport's advantages. Road hauliers will also get a further boost from the heavier loads now being authorised by the EEC, and by the cost savings they are able to achieve through increasingly sophisticated systems of computer organised cross frontier deliveries.

But on the passenger side, SNCF has truly succeeded in turning the tide. By spotting sooner than its European competitors—and exploiting more rapidly—the potential of a "second rail revolution" in giving high-speed trains an edge over air travel for intercity journeys of up to three hours, SNCF has reversed the decline in passenger numbers.

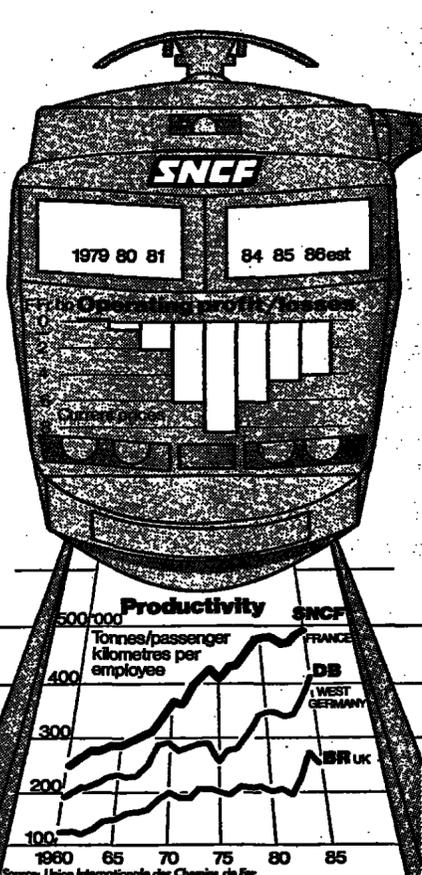
The south east TGV, linking Paris to Lyon, and then carrying on through an conventional track to Marseilles, Dijon and Geneva respectively has enjoyed unexpectedly robust commercial success. It now carries 14m passengers a year—a 60 per cent increase since 1982, of which 4m have been won from air and road, and 2m represent new traffic that the service has generated. Net profits from the service amounted to FF 750m in 1985 (allowing for financial charges and depreciation) on a sales revenue of FF 4.5bn.

TGV earnings are now flattening out because demand appears to have been saturated. But passenger and income will rise again when the TGV Atlantique connects Paris with Tours—and hence the capital with the Bordeaux and Brittany regions—in 1988-89. The same time traffic will be improved by the construction of a loop line round Paris—speeding journeys between the north and west, and the south of the country—and by the new TGV line being built to the east of the capital.

Passenger traffic could pick up further still with the construction of a northern TGV linking Paris and London as well as Paris with Brussels and Cologne. Doubts still remain over the financing of these projects, but there is little doubt that an embryonic European high-speed rail network—linked to the German and planned Italian systems—is slowly slotted into place.

The SNCF believes that the other boost to passenger traffic will come from the commuter lines which cobweb the landscape around the major cities—Paris, Lille, Lyon, Marseilles and Bordeaux. Road access to these larger conurbations is already being improved.

The decline in freight traffic seems more difficult to halt. The railway's share—at 40 per cent—is still one of the highest in Europe and comparable to that of West Germany. French railways have the advantage of operating in the largest country geographically in Europe, giv-



Source: Union Internationale des Chemins de Fer

ing some cost advantage for their long-haul, bulk, multi-wagon trains. They are seeking to boost this by increasing the speed and carrying capacity of their freight trains.

SNCF is also introducing a computerised system, ETNA, to provide for automated control of single wagon deliveries.

In the 1970s, SNCF was investing about FF 10bn a year—and still continues to make major improvements in electrification, track and maintenance.

All of this effort has proved difficult to convert into profits. The SNCF, even with government-controlled fares, turned in a small operating profit.

Rail finances everywhere are extraordinarily treacherous, because accounting practices vary so widely. In the French case, operating accounts currently exclude an annual subsidy of about FF 3bn. Of

this FF 14.8bn goes in supporting the retirement pensions of 400,000 retired railway workers.

The bulk of the rest is compensation for providing cheap travel for a host of people from the war-wounded to the aged, and for maintaining uneconomic services: at the state's request. It also includes a FF 11bn grant in recognition that the railways, unlike road hauliers, have to build their own track and maintain it.

Since 1980, however, two major events have shown the SNCF's long-term strategy off-kilter. The first was that the French railways—more than any other public sector organisation—felt the impact of the left's euphoria following President Mitterrand's 1981 election victory that recession and unemployment could be diminished by increasing public sector

jobs. There was even a Communist transport minister, Mr Charles Fiterman.

In the three years 1981-83, the SNCF took on 35,000 more people—thus halting the decline in its workforce—at a time when freight traffic was still falling and when British and German railways were declaring substantial redundancies. The Deutsche Bundesbahn cut its workforce by 33,000 between 1980 and 1985, and British Rail by 66,000. At the same time, the Socialist government cut the working week, introduced a fifth week's paid holiday, and in 1981-82 agreed to generous wage settlements.

The result was that the SNCF's operating accounts, which had already registered a small deficit of FF 674m in 1980, exploded with a deficit of FF 6.1bn in 1982 and FF 8.5bn in 1983. In a snowball effect, the company borrowed to cover its losses—raising money at rates as high as 16 per cent—thus more than doubling its debt from FF 30.8bn in 1980 to FF 74.2bn in 1984 and FF 78.5bn last year.

Financial charges (expressed in 1986 constant prices) climbed from FF 6.4bn in 1982 to FF 11.5bn in 1984 before falling to FF 8.5bn last year. It is the weight of this outstanding debt and the size of its financial charges that are currently the SNCF's most serious problem, because they allow no operational leeway to its management and clamp its investment prospects.

The second key event was the strike at the end of last year. For to get back to financial equilibrium—under the pressure of the government as well as its own management instincts—the SNCF began to pull in the reins. Reductions in the workforce were accelerated with some 5,000 leaving in 1985 and 10,000 last year while new recruitment fell from 2,000 in 1985 to 1,000 in 1986.

Salary increases were held down so that rail workers had no increase from November 1985 (which they got at the additional 0.5 per cent) to the time of the strike.

This tightening process coincided with attempts by the SNCF to initiate changes in its working practices. The aim was to break away from the military-style organisation with which the French railways have been run giving rail workers more responsibility and involvement in decision-making.

The first step was a training programme to pave the way for the introduction of "quality circles", associating employees more closely with their work to improve efficiency. As a backdrop for this, the SNCF planned to introduce a more merit-related pay structure which had to be abandoned in the wake of the strike.

The new free market Minister of Transport, Mr Jacques D'Ormesson, added his own voice to the pressure for change in declaring that the

railways which have traditionally seen themselves as part of the state administration should be run as a commercial organisation—without spelling out what he had in mind. He also in retrospect put the fuse to the gunpowder in calling into question the "perks" and bonuses that railwaymen have acquired over the years—including a working year of only 200 days.

The strike was thus a response to a combination of factors—a demand for demoralisation provoked by wage and work-force cuts, the absence of promotion in a shrinking enterprise and resentment at change ill understood and badly presented. It brought to the fore traditional drivers' grievances over working conditions such as the timing of shifts and the sparseness of drivers' dormitories. It spread before either the unions or the management had grasped the extent of grass roots discontent.

In immediate financial terms the loss to the SNCF of the strike was FF 1.5bn, spread over the two years 1986-87. But more damaging, the combination of the strike, the fall in all prices (encouraging more people to use their cars) and a drop in the number of American tourists, has for the first time in some years provoked a drop in passenger traffic. It has also accelerated the decline in freight traffic

But there is still a futuristic gleam in the eye of most French rail executives

which is likely to be 6 per cent down in 1987 on last year.

The SNCF has responded with the announcement of an additional 2,800 job cuts a year in addition to the 5,000 already planned. It is also seeking to win back passengers with new discounts in holiday periods on "charter trains" and improved first-class services. But the management has yet to generate any enthusiasm amongst railworkers for its more ambitious projects. The strike has left a heavy cloud of resentment.

None of this has dimmed the futuristic gleam in the eye of most French rail executives whose vision of the SNCF being the fulcrum of a high-speed European network run by more qualified personnel but with a total workforce half that of today or less. It is a vision that is symbolised by STREE, the computer system that will eventually monitor and control the movement of every train on the French track.

But the technological problems are relatively easy compared with the difficulties of dealing with the railways workforce. "It is there that the great challenge lies," says one executive.

On form at the Treasury

The cult of secrecy at the Treasury apparently knows no bounds. Officials emerging from three months of quiet preparation for the Budget and Budget purdah have found a number of resuming normal contacts with the outside world dashed by a new secrecy edict.

The latest rules, which apply all year round and not just in the run up to sensitive policy statements, are designed to allow Robert Culpin, the Treasury's press supremo, to monitor every contact between Great George Street and Fleet Street.

Starting this month every official at the rank of principal or above has to fill out a weekly form, listing past and planned contacts with journalists and City analysts. The form—its self supposedly secret—covers contacts over the previous week and subsequent encounters during the next four.

The more senior officials are also responsible for ensuring that the contacts of their junior staff are meticulously noted. The forms are then to be sent

Men and Matters

off to Culpin and to the Treasury's top mandarin, Sir Peter Middleton.

They will thus be able to see who and what is seeing whom and—presuming officials abide by the rules—to pinpoint the likely origin of unauthorised leaks.

One of the latest goes to Prof Nelson, who will find their in-house engagements under scrutiny. At least one minister has found that the Treasury's housekeeping enthusiasm for detective work has put him under the spotlight. The minister is said to have been investigated—and subsequently cleared—of letting slip a Budget secret.

Biff and biscuits

Trade and the services will meet head on next month when senior officers from the Navy, Army, and Air Force will meet senior managers from industry, commerce, and the public services at a conference organised by the Industrial Society called, in hope, "Learning from each other."

Conferences are now normal fare for many senior business executives. But the gathering of the Army's staff college, Camberley, may be just a little out of the ordinary.

For instance, as the participants arrive they will be met by something other than eager helpers handing out lapel badges—to wit, the Duke of Kent's Band from the Royal Regiment of Fusiliers, conducted by Bandmaster WO1 (RM) S. J. Smith.

The sessions look equally colourful. A brigadier and a lieutenant colonel will join captains from British Airways on selection; a Royal Navy commander and a captain will share a platform with a marketing manager from Stewart Wrightson on appraisal procedures; and an RAF wing commander will link with a personnel director from United Biscuits to talk about training.

As if all that wasn't enough, the programme for delegates states militarily that the Corps of Drums, the 2nd Battalion the Royal Regiment of Fusiliers, will be on hand to ensure that "lunch will be concluded with a Victory Rest."

News man

Government figures out today will show more progress towards the long sought-after target of unemployment below the 8m mark—and that would be a further pointer to an early general election.

Perhaps this prospect might have something to do with an unprecedented break with tradition, with Lord Young, the employment secretary, deciding to attend the briefing for journalists which accompanies the monthly publication of the official statistics on employment.

Normally, the briefing is handled by civil servants, though it is far from a low-key affair. As the government's figures—and the repeated changes in their composition—have grown more complex, the briefings have turned into lengthy wrangles about what the figures say, never mind what they mean.

The public aspect of such hot debate has turned into sharp criticism from Labour, the unions, and outside bodies, of the official figures—criticism which struck Lord Young this week into acidly replying to Norman Willis, TUC general secretary, that a particular union attack on the figures, "borders on the disgraceful."

TV and radio journalists have long had the opportunity to question ministers directly

Down and out

about the figures. But the effect more specialised reporters from the print media have not enjoyed such access. Lord Young's move—whether it be one-off, temporary, or permanent—changes all that.



SWAN GARDENS

The flagship of Piccadilly

34,700 SQ FT
AIR CONDITIONED OFFICES—
RAISED FLOORS
3 LIFTS—PRESTIGE ENTRANCE—2 ATRIUMS
OPEN PLAN FLOORS,
UPWARDS OF 10,000 SQ FT

TO BE LET

Richard Ellis

01-629 6290

Observer

Tony Walker finds that the 12 months since the US raid on Libya have brought

Trade tensions

This time, Japan is really not to blame

By Makoto Kuroda

A YEAR AGO today American F111 bombers streaked across the Libyan coastline to attack strategic positions, including Colonel Muammar Gaddafi's headquarters in Tripoli...

major reverses for Colonel Gaddafi



Dead ends in a game of bluff

Correspondents in the Libyan capital were awakened in the early hours of Tuesday April 15 by the thud of bombs and frenzied bursts of anti-aircraft fire...

push into the disputed Aouzou strip in northern Chad, occupied by Libya since 1979, indicating further reverses on the battered Gaddafi...

An indication of the depths to which relations between Colonel Gaddafi and the military have fallen was his open criticism of the army in early March...

The defection of five Libyan airforce officers to Egypt last month, in two incidents involving a transport aircraft and a helicopter...

His recent attempts to restore relations with old foes, such as Yasser Arafat's mainstream of the PLO, appear a reaction to his growing sense of isolation.

US raid to unsettle potential opposition, Government departments and the military command have been decentralised.

Colonel Gaddafi, who controls a pervasive east-bloc trained security apparatus, is credited with ruthlessness and guile in dealing with opponents...

Colonel Gaddafi made big changes to his cabinet, sacking many ministers and appointing a new prime minister, 47-year-old Omar Al Muntasser...

John Chipman, of the Atlantic Institute for International Affairs in Paris, believes the Chad misadventure has seriously limited the Libyan leader's options in both domestic and foreign policy.

Industry and Japan

From Mr L. Tolley, CBE Sir—Those of us in manufacturing industry who have been warning of the consequences of questionable Japanese trading methods for many years with no response whatever from any UK government...

Letters to the Editor

Liability of Lloyd's 'Names' From Mr N. Dangoor Sir—The PCW settlement plan proposed by Lloyd's after years of hardship, aggravation and bad publicity should have been routine...

Numbers and percentages

From Lord Young, Secretary of State for Employment Sir—I read with great interest and not a little amusement your article in your column yesterday...

Budget proposals and the Japanese

From Mr C. F. Pocock Sir—It is reported that the Department of Trade and Industry is drawing up a list of ways to retaliate against the Japanese telecommunications industry...

Right of the majority

From Ms P. Toomey Sir—I was interested to read Dr Green on the right not to strike (April 6) I agree with him that smugly results if the minority does not consent to agree with the majority...

'Lean burn' emissions

From Mr P. Emmel Sir—The front-page article "Sir—'Lean burn' engines in final trials" by John Griffiths (April 6), needs a reply. The claim that the novel engine design reduces hydrocarbon and nitrogen oxides emissions to 5 per cent below the proposed EEC standards is not remarkable...

THE SAVOY HOTEL PLC. Turnover in 1986 rose by 8% to £64,793,000, and pre-tax profits by 13% to a record £12,094,000. The Directors are therefore recommending a dividend of 40%, an increase of 14.3%. ANOTHER RECORD YEAR. FINANCIAL HIGHLIGHTS table with columns for Year ended 31st December 1986 and 31st December 1985.

Excelsior Industrial Holdings, Whitlands Road, Ashton-Under-Lyne, Lancashire

6290

NOMURA
FOR INTEGRATED FINANCIAL SERVICES
Innovative · Flexible · Global
Nomura House, 24 Monument Street, London EC3R 6LL 01-263 8811

FINE BRITISH CLOTHES
centaur
DESIGNED FOR MEN
LEEDS (0532) 432455

Sharp improvement at International Paper

BY JAMES SUGHAN IN NEW YORK

THREE US forest products companies yesterday reported sharp improvements in earnings for the March quarter, confirming the industry's strong cyclical upturn.

International Paper, the world's largest paper maker, reported the most dramatic improvement with a 360 per cent increase in net income, from \$25m or 41 cents a share to \$90m, or \$1.03 a share.

But Georgia-Pacific, which is slanted towards building products, progressed from \$30m, or 25 cents a share, to \$90m or 71 cents a share, and the smaller Boise Cascade rose from \$35m, or 53 cents a share, to \$40.2m, or \$1.31 a share.

US forest products companies have enjoyed a dramatic improvement in profitability in the past year because of cost reductions, a tighter market for some products

and the decline of imports thanks to a weaker dollar. Last month, International Paper announced it was raising prices of linerboard, used in cardboard boxes, as new evidence of stronger demand.

International Paper's earnings for the quarter included a \$14m special gain on the sale of securities and a contribution from its new premium paper subsidiary, Hammermill Paper. Revenues increased from \$1.1bn to \$1.2bn and Mr John Georges, chief executive, said that "second-quarter results should continue to show favourable year-to-year comparisons."

After the annual meeting yesterday, Mr Georges said he expected the company's earnings to increase by more than two to three per cent if the economy continues to grow at

two to three per cent in 1987.

In 1986, the company reported net income of \$305m or \$3.79 per share, on revenues of \$5.5bn.

Revenues at Georgia-Pacific rose from \$1.6bn to \$1.9bn and at Boise Cascade from \$900m to \$912m. Boise said its 1987 performance was expected to be substantially stronger than in 1986, when it earned \$101.5m or \$3.2 a share.

The company said this year started off well as a result of existing market conditions and its success in reducing costs and increasing productivity. Factors that could influence 1987 results included the amount and timing of any price increases for its major product lines, particularly uncoated and coated white papers, and labour contract negotiations.

Wang back in black for third quarter

By Our New York Staff

WANG LABORATORIES, the US maker of minicomputers and word processors, yesterday said it had returned to profit in its third quarter to the end of March after measures to cut costs and boost orders.

Wang, which in January launched a new range of minicomputers, said that it earned \$5.8m, or 4 cents a share, in the March quarter. This compares with earnings of \$21.4m or 14 cents a share in the preceding year's quarter.

Yesterday's result, which was a little better than the break-even Wang had predicted, lifted the company's share price 7 1/2 to 8 1/2 in early trading.

It reduced Wang's loss so far in its 1987 fiscal year to \$12.7m, or 85 cents a share. The nine-month loss included a \$37m restructuring charge to cover payroll cuts in the second quarter.

Revenues in the March quarter grew 8 per cent to \$745.5m as a result of increased shipments of minicomputers, including Wang's new VS 7000 series systems introduced in January.

Wang, which plunged into loss last summer after years of increasing competition in the office systems market, reported a 21 per cent increase in orders to \$734.9m.

Mr Frederick Wang, who took over as president from his father, Mr An Wang, late in 1986, said: "The great progress we have made in this period strengthens our confidence considerably, and we are convinced that our stated goal of solid profitability for the fourth quarter is quite realistic."

German metals group posts slight advance

BY HARG SHIMONIAN IN FRANKFURT

METALLGESELLSCHAFT, West German metals, chemicals and engineering group, lifted its net profit to DM 69.9m (\$38.8m) in the year to September 30 1986, from DM 61.4m in 1984-85, despite a fall in group turnover to DM 9.8bn against DM 11.2bn last time.

The results deserve to be marked satisfactory when seen against the unfavourable state of the raw materials markets, said Mr Dietrich Natus, Metallgesellschaft's chief executive.

Metallgesellschaft's earnings per share fell to DM 12.2 against DM 15 in 1984-1985, but the company is again paying a dividend of DM 6 a share.

The group's raw materials division suffered a sharp downturn in profitability, though individual results were mixed. Foundries and mining were particularly hard hit by lower metals prices and the fall

ing US dollar, but Teck Corporation, the Canadian metals group in which Metallgesellschaft owns a share, reported "satisfactory results and an improved financial structure", according to the company.

The DM 1.5bn fall in turnover in Metallgesellschaft's raw materials division was largely attributable to lower prices on the trading side. However, trading profits were broadly maintained.

Metallgesellschaft's 1985-86 results do not include any figures for Cominco, the troubled Canadian metals group, in which it has a substantial stake, along with Teck and Mount Isa Mines (MIM) of Australia. Moreover, as part of a strategy of supplementing existing close business relationships with small equity cross-holdings, Metallgesellschaft now owns about 4 per cent of MIM, which in turn has a small reciprocal stake.

Earnings at Kolbenschmidt and VDM Nickel Technologie, Metallgesellschaft's two metal processing activities, rose last year, while profits were roughly maintained at Lurgi, the group's plant construction division. However, earnings on processing had been under pressure in the first five months of the current trading year, while severe losses have been sustained in Metallgesellschaft's West German foundries.

Group turnover fell by a further 20 per cent in the first five months of the present trading year, and earnings were "somewhat below our expectations", said Mr Natus. However, he hoped this year's results would be roughly similar to those of 1985-86. Further rationalisation would be necessary across the group, but Cominco would be trading profitably this year, while metals prices "had to go up", he said.

Enichem reports jump in earnings

By Alan Friedman in Milan

ENICHEM, the Italian state-owned chemicals company, last year staged an impressive leap out of loss, recording a L1.7bn (\$1.3m) nominal net profit against a heavy L396.3bn 1985 deficit.

The Enichem profit, the first in four years, comes after a one-time L17bn extraordinary debit, the result of stock write-downs linked to the drop in petrochemical prices.

The decline in petroleum prices and tariffs of related products also hit Enichem's consolidated turnover, which fell last year by 15 per cent to L5,977bn.

The company was able to return to the black last year, after losses, which since 1983 had totalled L1,113bn, partly because it is now reaping the fruit of a lengthy industrial and financial restructuring programme. Lower raw material prices and the weakness of the US dollar also contributed greatly to Enichem's 1986 results, as did much reduced debt servicing charges (L138m in 1986 against L359bn the previous year).

Mr Lorenzo Necci, Enichem chairman, warned that 1987 could be a difficult year and said he hoped that the state company - part of the ENI state holding group - would be able to agree joint ventures with Montedison, Italy's biggest chemicals group, in order to rationalise costs.

Mr Necci said last year's merger by Enichem and Britain's ICI of their loss-making polyvinyl chloride (PVC) and vinyl chloride monomer (VCM) operation was "progressing well". The Enichem chief also said he was exploring prospects for similar actors "at the European level".

TSB to offer home banking

BY HUGO DIXON

TSB of the UK has beaten its four main clearing bank rivals to offer the first electronic home banking service directed at the mass market from the middle of June.

The service, called Speedlink, will allow personal customers in England and Wales to check the balance of their accounts, pay bills and transfer money from one account to another from any telephone around the world.

The bank plans to extend it to commercial customers later in the year, and to Scotland in April 1988. It expects the service to have 100,000 customers by the end of the year.

The Bank of Scotland and Clydesdale Bank have been offering electronic banking services since 1985 and the beginning of this year, respectively, but these have been aimed mainly at business customers. Lloyds Bank plans to operate a pilot scheme from 1988.

Speedlink is based on an ordinary telephone and a tonepad - an electronic keyboard about the size of a pocket calculator. Most modern push-button telephones can be used on their own without the tonepad.

Customers will call a central number and identify themselves by using the tonepad to punch in their account number and personal identification codes. A voice-response system will then allow the computer to issue instructions in a human voice.

Speedlink will operate 18 hours a day, seven days a week. Customers, who will be able to programme the computer to make payments up to a month in advance, will pay £18 a year to use the service. The tonepad will cost £12, and the customer will also have to pay for the telephone calls. Initially, they will have to call a number near Manchester, but by next year they will be able to get to the system by making a local call.

Mr Harry Read, the TSB's general manager for management services, said research carried out by Mark pointed to an enthusiastic response. Of those interviewed, 89 per cent felt home banking would save them time and 88 per cent thought it would allow them to be more up-to-date with their bank balances. Seventy-eight per cent had no fear of using an automated service.

As well as allowing the TSB to improve services to its existing customers he hoped Speedlink would attract new ones. It would also allow the bank to cut the costs of routine administration and free branch staff to sell customers other financial services.

The cost of adapting the bank's computer systems to home banking was only £1m (£1.6m), Mr Read said, as the voice-response unit simply had to be bolted on to the bank's mainframe.

Comsat merger in jeopardy

BY DAVID OWEN IN NEW YORK

THE PROPOSED \$2.4bn merger of Comsat, the leading US operator of communications satellites, and Contel, the major Atlanta-based independent telephone company, appears to have been placed in jeopardy by a Federal Communications Commission (FCC) order believed by Contel to provide a basis for termination of the merger agreement.

In a form filed with the SEC yesterday citing a number of recent FCC proceedings and including one memorandum ordering Comsat to refund \$62m in "excess earnings" or demonstrate why it should not do so, Contel concluded that there is basis for termination of the merger.

if the relevant FCC proceedings are still pending when the transaction is due to be consummated.

The proposed deal, first announced last September, was billed as a takeover of Contel by Comsat, although control of the resulting company was slated to go to top executives at Contel - a company five times the size of Comsat based on 1985 revenues. Under its federal charter, Comsat can only merge with another company and cannot be acquired.

The merger, which faced approval by various regulatory bodies before it could be consummated, was expected to create a significant new international force in telecommunications industries, although many believed that Comsat's competitors would mount fierce opposition on the grounds that it would give the company unfair competitive advantages in the communications market.

Comsat itself vigorously opposes the FCC orders on which Contel's decision has been based, describing them as "unjust and unwarranted in fact and in law."

The two companies are now expected to meet shortly to discuss the matter further.

CDF-Chimie cash boost

BY GEORGE GRAHAM IN PARIS

CDF-Chimie, the state-owned chemicals group spun-off from France's national coal company, is to receive a FFr 3.1bn (\$498m) capital injection from the Government.

The money will reinforce the company's capital after twelve years of losses and will be used for the restructuring and modernisation plan proposed to the government by Mr Serge Tchuruk, the new chairman.

The chemicals concern is one of the beneficiaries of the French Government's windfall privatisation receipts, of which a third are to be used to reinforce the capital of state sector companies.

CDF-Chimie lost a total of FFr 2.6bn last year, including exceptional restructuring costs of FFr 2.1bn. Group sales dropped to FFr 29.6bn from FFr 35.3bn in 1985.

Mr Tchuruk is to present the new restructuring plan - described by officials as "muscular" - to CDF-Chimie's employee council early next month.

The plan is expected to focus on trimming the fertilisers division, which accounted for FFr 900m of losses last year. The group will seek to move away from heavy chemical sales to concentrate more on the specialty chemicals sector.

CDF-Chimie was split off from its parent company, Charbonnages de France, late last year, shortly after

Fidis plans L475bn share issue

By Our Milan Correspondent

FIDIS, a financial holding company controlled by Fiat, is planning to raise a total of L475bn (\$305.4m) by means of shares and bond issues.

Fidis plans to raise L375bn by means of a two-for-five rights issue which would see the issue of 50 million ordinary shares priced at L7,500 each. A further L100bn is to be raised by means of the placing of its bonds with institutional investors.

The funds will be used partly to subscribe a L200bn Mediobanca bond issue convertible into shares of Mito, a financial services company which is active in fund management, and which is controlled by the main holding vehicle of the Agnelli family.

Mito is one of three companies (the others are Saes, a retail holding company, and Toro, an insurance company) whose effective control will eventually pass from the Agnelli family to Fiat's control as a result of Fiat having agreed last September to fully subscribe \$1.1bn of Mediobanca convertible bonds. Fidis also plans to use proceeds from the L475bn of new funds to finance Fiat Credit International, a new company which will acquire control of Fiat vehicle finance companies in nine European countries.

Fidis last night said its 1986 net profit was L133bn, against L123bn in 1985.

The company is proposing a L500 dividend for 1986, against L400 in 1985.

The chairman of Fidis is Mr Cesare Romiti, who is group managing director of Fiat.

Higher sales at Solvay

By Our Financial Staff

SOLVAY, the Belgian chemical group, achieved a strong increase in profits for 1986, and, as a result, plans to step up the year's dividend by 12 per cent.

The upturn stemmed mostly from lower feedstock costs and greater sales volume the group said. Down slightly in cash terms, volume sales rose by 3 per cent last year.

Net profits increased by 22 per cent to BFf 2,933m (\$265m) on turnover of BFf 218.3bn, which was 4 per cent down on 1985. The dividend is being raised to BFf 353 a share.

The company said that the fall in oil product prices was the main factor influencing activity in 1986. The fall contributed to a reduction in manufacturing cost, but to a certain extent also caused a fall in selling prices.

Cash flow climbed 14 per cent to BFf 21.8bn. As a result, cash flow as a percentage of sales rose to 10.1 per cent from 8.5 per cent in 1985.

Time declines despite increased revenues

BY OUR FINANCIAL STAFF

TIME INC, the big US publishing and cable TV group which has been undergoing a stringent cost reduction programme, suffered a fall in first-quarter net earnings from \$50.5m, or 78 cents a share, to \$46.4m, or 76 cents, despite a rise in revenues from \$97m to \$95m.

The company said strong first-quarter performance at its core operations were more than offset by the inclusion of normal seasonal losses at Scott Foresman, the educational publisher acquired last year for \$520m. Results were also affected by the absence of one-time gains in the first quarter of 1986.

Mr J. Richard Munro, chairman and chief executive, said that without these items, the company's operating profits in the latest quarter would have been up 33 per cent to \$142m from \$107m last year.

Profits from the company's magazine group were \$59m, up 64 per cent from \$36m last year. The increase was attributed to lower development expenses and costs, and the impact of a general cost reduction programme.

Advertising revenues were down slightly, as the effect of rate and circulation rate had less positive effect by lower advertising volume. Circulation revenues were higher in the period.

The books and information services group posted an operating loss of \$3m compared with profits of \$14m last year.

At American Television and Communications, Time's 62 per cent-owned cable company, a continuation of strong subscriber growth resulted in an operating cash flow of \$62m, a 19.5 per cent increase on the \$52m in 1986. Operating profits rose to \$54m from \$32m. Programming income fell to \$98m from \$30m.

Great Lakes Forest plans expansion

By Robert Gibbons in Montreal

GREAT LAKES Forest Products, one of the two big pulp and paper companies controlled by Canadian Pacific, plans a C\$300m (US\$200m) modernisation and expansion programme at its Northern Ontario mills.

The first step is addition of a second fine-paper machine at Dryden with 175,000 tonnes capacity, bringing Dryden's total fine-paper capacity to 385,000 tonnes. The new machine costs C\$175m and is due to start up in the third quarter of 1988.

A new 240,000 tonnes standard newsprint machine costing \$215m will be installed at Thunder Bay to replace two older machines with 180,000 tonnes capacity. The project starts next year and the machine is due in operation early in 1991.

Great Lakes may also invest about C\$80m in a newsprint mill planned in Washington State with five US publishers. A decision on a go-ahead will be taken shortly, the company said.

Stora in newsprint plant deal

BY KEVIN DONE IN STOCKHOLM

STORA of Sweden, West Europe's largest pulp and paper producer, and Feldmühle, the West German paper group, are to build a SKR 1.3bn (\$190m) newsprint mill in Sweden.

The plant, with an annual capacity of 210,000 tonnes will be built in south-west Sweden by Hylte Bruk, which is owned 75 per cent by Stora and 25 per cent by Feldmühle.

The mill is planned to come into operation during 1988. It will increase Hylte Bruk's newsprint capacity to 750,000 tonnes a year.

Stora is investing heavily in additional newsprint capacity and is already building a SKR 1.3bn, 215,000 tonnes a year newsprint mill at Kvarnsveden in central Sweden, which is due to be commissioned next year.

Three old machines at Kvarnsveden are to be closed, but total capacity at the site will increase by 165,000 tonnes a year to 615,000 tonnes, of which magazine and special newsprint will account for 200,000 tonnes.

When both newsprint mills are completed Stora will be one of Europe's biggest newsprint producers with a total capacity for newsprint and magazine paper of more than 1.5m tonnes a year including its 100,000 tonnes a year mill in Canada.

In addition to the new newsprint machine Hylte Bruk is planning an additional pulp mill based on waste paper with an annual capacity of 150,000 tonnes.

The newsprint market was firm in 1986 with a high level of capacity utilisation and the Swedish pulp and paper industry is expecting continued strong demand in this sector throughout 1987.

How Iktisat captured 12% of the Turkish market



When you're arranging trade finance, every minute counts. A document delayed or a wrong quotation can shrink your client's profits overnight.

So at Iktisat, we move faster to arrange your transaction in the quickest possible time. Our pricing and commission rates are more competitive because our overheads are kept low. This efficiency stems from our continuing programme of development, particularly our staff.

We recruit high quality people and we give our branch managers authority to make their decisions, based on specialised local knowledge.

Communications are speedier, too, with fax machines installed and the completion of our on-line, real-time automation programme.

Our 12% share of Turkey's foreign trade finance is just a start. Whenever time is money, you'll find Iktisat can put you ahead of the competition.

IKTISAT BANKASI
Turkey's Merchant Bank

For a copy of our 1986 Annual Report, please contact Arthur Wilkinson, Assistant General Manager, Iktisat Bankasi, Buyukdere Cad. 165, Esentepe, Istanbul, Turkey. Telephone: 172 7000. Fax: 172 3070. Telex: 27685. Branches at Istanbul (8 branches), Ankara, Izmir, Bursa, Adana, Mersin, Gaziantep, Denizli, Iskenderun, Samsun, Ordu.

INTL. COMPANIES AND FINANCE

Perelman in \$850m buyout of Revlon public shareholders

BY WILLIAM HALL IN NEW YORK

MR RONALD PERELMAN, the 43-year-old corporate raider, has agreed to pay \$850m to buy out the public shareholders of Revlon, the cosmetics group controlled by his privately owned investment firm, MacAndrews & Forbes.

MacAndrews & Forbes, which had earlier offered to buy the two-thirds of Revlon that it does not own for \$18.50 a share in cash, disclosed that it had entered into a definitive merger agreement to acquire the company for \$20.10 a share in cash.

Revlon's shares had risen from a low of \$9 in early 1985 to a peak of \$21.75 earlier this month on rumours that another bidder might emerge.

Revlon's independent directors, advised by Wertheim Schroeder and Co, have unanimously approved the merger agreement and MacAndrews & Forbes said it had settled litigation challenging MacAndrews' purchase of the shares.

Revlon lost \$9.5m, or 24 cents a share, on sales of \$1.6bn in 1986. It has assets of \$3.6bn, long-term debt of \$2.25bn and \$964.8m of cash. At the end of 1986 it had stockholders' equity of \$170.3m, or 4.22 a share.

Mr Perelman was control of Revlon in late 1985 after a bitter takeover battle and disclosed last month that he was considering buying the remaining two-thirds of Revlon's

Honeywell starts year with strong gain

By David Owen

HONEYWELL, the Minneapolis-based electronics company which last year spun off most of its computer business into a joint venture with Japan's NEC and France's Bull, reported improved first-quarter earnings of \$48.7m or 36 cents a share - up from \$38.2m or 27 cents a share a year ago. The 1986 figure included a loss from discontinued operations of \$10.2m.

The results mark a turnaround from Honeywell's 1986 fourth-quarter performance, when the company completed a year of heavy restructuring by taking a net charge of \$304m. This plunged the company to an after-tax 1986 loss of \$368m or \$8.53 a share.

The company attributed the current quarter's improvement to cost-cutting efforts initiated in 1986. "All of our businesses are producing better results than last year even though we do not see significant improvement in the external market environment," said Mr. Elson Spencer, chairman and chief executive.

First-quarter revenues totalled \$1.48bn - up 28 per cent from \$1.15bn a year earlier due partly to the inclusion of the sales of Sperry Aerospace, acquired last year from Unisys in a \$1.03bn deal. However, the company said that it experienced a sharp increase in aerospace and defence orders in addition to those of the new Sperry Aerospace group.

Marriott advances 20% to \$40.7m

BY OUR FINANCIAL STAFF

MARRIOTT, the US hotels and food service group, yesterday reported a 20 per cent rise in first-quarter earnings to \$40.7m or 30 cents a share from \$34.3m or 25 cents. Revenues rose from \$1bn to \$1.41bn.

Mr J.W. Marriott Jr, chairman and president, said the company's strong performance reflected gains in lodging, contract food services and restaurant operations. Mr Marriott said he believed the strong first quarter would carry through the rest of the fiscal year.

Lodging operations posted a 20 per cent increase in operating income on a 23 per cent sales gain for the quarter. Sales also benefited from the opening of 18 full-service hotels and 29 moderate-price Court-yards during the past 12 months.

Mr Marriott said average room occupancy was in the upper 70 per cent range during the quarter. Resort and vacation ownership resorts contributed significantly to lodging profits in the quarter.

Contract food services operating income was up 24 per cent, on a 64 per cent sales gain in the quarter.

Suchard takes over Du Lac

By John Wicks in Zurich

JACOBS SUCHARD, the Swiss coffee and chocolate group, has completed negotiations for the takeover of the Italian company Du Lac.

Du Lac had already been a producer of chocolate products under licence from Jacobs Suchard, selling them under the Zurich company's brands Suchard and Tobler. Annual turnover is of more than 1,300m (\$23.3m).

The acquisition of Du Lac, for which no price is being disclosed, gives Jacobs Suchard its first direct subsidiary in Italy.

U.S. quarterly results

Company	1987	1986	Company	1987	1986
U. S. AIRCRAFT Aircraft and parts			AMERICA COMMUNICATIONS Cable, entertainment		
First quarter	\$	\$	Second quarter	\$	\$
Revenue	27.2m	27.5m	Revenue	109.2m	91.5m
Net profit	22.2m	27.5m	Net profit	72.2m	76.7m
Net per share	0.51	0.53	Net per share	1.34	1.37
AT&T Telephone systems			AMERICAN AIRLINES Airlines		
First quarter	\$	\$	First quarter	\$	\$
Revenue	2.7m	2.8m	Revenue	11.5m	10.7m
Net profit	20m	20m	Net profit	34.5m	30.5m
Net per share	0.78	0.80	Net per share	0.83	0.71
BANK OF AMERICA Banking			AMERICAN SAVINGS Savings		
First quarter	\$	\$	First quarter	\$	\$
Revenue	1.7m	1.8m	Revenue	11.5m	10.7m
Net profit	1.2m	1.3m	Net profit	34.5m	30.5m
Net per share	0.51	0.53	Net per share	0.83	0.71
BANK OF CALIFORNIA Banking			AMERICAN TELEVISION Television systems		
First quarter	\$	\$	First quarter	\$	\$
Revenue	1.7m	1.8m	Revenue	11.5m	10.7m
Net profit	1.2m	1.3m	Net profit	34.5m	30.5m
Net per share	0.51	0.53	Net per share	0.83	0.71
BANK OF NEW YORK Banking			AMERICAN TRADING Trading		
First quarter	\$	\$	First quarter	\$	\$
Revenue	1.7m	1.8m	Revenue	11.5m	10.7m
Net profit	1.2m	1.3m	Net profit	34.5m	30.5m
Net per share	0.51	0.53	Net per share	0.83	0.71
BANK OF SOUTH AFRICA Banking			AMERICAN WATERWORKS Water supply		
First quarter	\$	\$	First quarter	\$	\$
Revenue	1.7m	1.8m	Revenue	11.5m	10.7m
Net profit	1.2m	1.3m	Net profit	34.5m	30.5m
Net per share	0.51	0.53	Net per share	0.83	0.71
BANK OF THE SOUTH PACIFIC Banking			AMERICAN WIRELESS Wireless		
First quarter	\$	\$	First quarter	\$	\$
Revenue	1.7m	1.8m	Revenue	11.5m	10.7m
Net profit	1.2m	1.3m	Net profit	34.5m	30.5m
Net per share	0.51	0.53	Net per share	0.83	0.71
BANK OF WASHINGTON Banking			AMERICAN WIRELESS Wireless		
First quarter	\$	\$	First quarter	\$	\$
Revenue	1.7m	1.8m	Revenue	11.5m	10.7m
Net profit	1.2m	1.3m	Net profit	34.5m	30.5m
Net per share	0.51	0.53	Net per share	0.83	0.71
BANK OF WISCONSIN Banking			AMERICAN WIRELESS Wireless		
First quarter	\$	\$	First quarter	\$	\$
Revenue	1.7m	1.8m	Revenue	11.5m	10.7m
Net profit	1.2m	1.3m	Net profit	34.5m	30.5m
Net per share	0.51	0.53	Net per share	0.83	0.71
BANK OF MONTREAL Banking			AMERICAN WIRELESS Wireless		
First quarter	\$	\$	First quarter	\$	\$
Revenue	1.7m	1.8m	Revenue	11.5m	10.7m
Net profit	1.2m	1.3m	Net profit	34.5m	30.5m
Net per share	0.51	0.53	Net per share	0.83	0.71
BANK OF MONTREAL Banking			AMERICAN WIRELESS Wireless		
First quarter	\$	\$	First quarter	\$	\$
Revenue	1.7m	1.8m	Revenue	11.5m	10.7m
Net profit	1.2m	1.3m	Net profit	34.5m	30.5m
Net per share	0.51	0.53	Net per share	0.83	0.71

BEAR STEARNS

This announcement appears as a matter of record only.

1,050,000 Shares of Common Stock

Frequency Electronics

The placement of these shares was arranged by

Bear Stearns International Corporation
London

a wholly-owned subsidiary of

Bear, Stearns & Co. Inc.

New York/Atlanta/Boston/Chicago/Dallas/Los Angeles/San Francisco
Amsterdam/Geneva/Hong Kong/London/Paris

April 1987

BEAR STEARNS

This announcement appears as a matter of record only.

1,200,000 Shares of Common Stock

Talley Industries, Inc.

The placement of these shares was arranged by

Bear Stearns International Corporation
London

a wholly-owned subsidiary of

Bear, Stearns & Co. Inc.

New York/Atlanta/Boston/Chicago/Dallas/Los Angeles/San Francisco
Amsterdam/Geneva/Hong Kong/London/Paris

April 1987

vita

Grasping tomorrow's challenges...today

THE CHALLENGES
To win the competitive race for market leadership and to anticipate the demands of a fast changing world.

THE TEAM
Energetic and committed management dedicated to profit and the pursuit of excellence

THE RESOURCES
State of the art, worldwide asset base with personnel committed to innovation, technical advancement and quality

THE RESULT
Vitality for continued corporate success

For further corporate information please contact the Publicity Department
SWITZER VITA PLC, BRIDLETON, MANCHESTER M24 2DB TEL: 061-843 1133 FAX: 061-863 5411 TELEX: 66000-4

The Kingdom of Belgium

£100,000,000

Floating Rate Notes due 1994

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 13th April, 1987 to 13th July, 1987 the Notes will bear a Rate of Interest of 10 1/8% per annum. The Interest Amount payable on 13th July, 1987 will be £2,908.73 per £100,000 Note.

County NatWest Capital Markets Limited
Agent Bank

The Financial Times proposes to publish a Survey on **GULF COOPERATION COUNCIL** on MONDAY 8 JUNE 1987

Approaching the sixth Anniversary of its formation, GCC is gaining a political and economic weight which few would have believed possible in such a young organisation. The six member states are working together in a variety of economic fields and the existence of the Council has undoubtedly helped them to strengthen their collective security at a time of turbulence in the Gulf region.

This survey will examine the organisation's achievements and its goals for the future as well as covering the following topics:

Foreign Relations	Industries
Defence	Economic Integration
History & Structure of the GCC	Education
Regional Economy	The Labour Market
Financial Markets	

For an editorial synopsis and advertising information, please contact:
Ralph Sutton or Laurette Lecomte-Peacock
on 01-248 9996, ext 3238/2515

The content, size and publication dates of surveys in the Financial Times are subject to change at the discretion of the Editor

Wells Fargo & Company

U.S. \$100,000,000

Floating Rate Subordinated Notes due July 1997

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 15th April, 1987 to 15th July, 1987 the Notes will carry an Interest Rate of 7 1/4% per annum.

Interest payable on the relevant interest payment date, 15th July, 1987 will amount to US\$180.10 per US\$10,000 Note and US\$90.05 per US\$5,000 Note.

Agent Bank:
Morgan Guaranty Trust Company of New York
London

THE MORTGAGE BANK AND FINANCIAL ADMINISTRATION AGENCY OF THE KINGDOM OF DENMARK

£50,000,000 Guaranteed Floating Rate Notes Due 1994

Series 91

Unconditionally guaranteed by THE KINGDOM OF DENMARK

In accordance with the terms and conditions of the Notes, notice is hereby given that for the three months interest period from the 26th April 1987 to the 26th July 1987, the Notes will carry a rate of interest of 9 1/8% per annum. The relevant interest payment date will be 26th July 1987. The Coupon Amount per £1,000 will be £92.50 payable against Surrender of Coupon No. 14.

Responsible Bank Limited
Agent Bank

U.S. \$300,000,000

Province de Québec

Floating Rate Notes Due 2001

Interest Rate	6 7/8% per annum
Interest Period	15th April 1987 15th October 1987
Interest Amount due 15th October 1987	
per U.S. \$ 10,000 Note	U.S. \$ 348.48
per U.S. \$250,000 Note	U.S. \$8,736.98

Credit Suisse First Boston Limited
Agent Bank

ANGLIA BUILDING SOCIETY

(Incorporated in England under the Building Societies Act of 1874)

£100,000,000

Floating Rate Notes Due January 1998

Notice is hereby given that the Notes will bear interest at 10 1/4% per annum for the interest period 14 April, 1987 to 14 July, 1987.

Interest payable on the relevant interest payment date, 14 July, 1987 will amount to £125.44 per £5,000 Note and £5,271.53 per £250,000 Note.

Agent Bank:
Morgan Guaranty Trust Company of New York
London

U.S.\$75,000,000

The Bank of New York Overseas Finance N.V.

(Incorporated with limited liability in the Netherlands Antilles)

Guaranteed Floating Rate Subordinated Notes due January 1996

Unconditionally Guaranteed, on a Subordinated Basis, on to Payment of Principal and Interest by The Bank of New York Company, Inc. (Incorporated in New York, USA)

Notice is hereby given that the Rate of Interest has been fixed at 6 3/4% p.a. and that the interest payable on the relevant interest Payment Date, July 15, 1987, against Coupon No. 14 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$175.36.

April 15, 1987, London
By: Citibank, N.A. (CSSI Dept.), Reference Agent **CITIBANK**

U.S.\$20,000,000 Guaranteed Floating Rate Notes

Responsible to the Option of the Holder at per Commencing October 1992

Citicorp Overseas Finance Corporation N.V.

(Incorporated with limited liability in the Netherlands Antilles)

Unconditionally guaranteed by **CITICORP**

Notice is hereby given that the Rate of Interest has been fixed at 6 3/4% and that the interest payable on the relevant interest Payment Date, July 15, 1987 against Coupon No. 29 in respect of US\$10,000 nominal of the Notes will be US\$170.63.

April 15, 1987, London
By: Citibank, N.A. (CSSI Dept.), Agent Bank **CITIBANK**

TELEPHONE
01-246 8026

for the
FT INDEX & BUSINESS NEWS REPORT

- Hourly updated FT Index
- Starting Exchange Rates updated 3 times daily
- B.Bill, Krugger, platinum and base metal prices
- Dow Jones Industrial Average
- Share Market Report

INTERNATIONAL COMPANIES and FINANCE

David Thomas on a Canadian group's changing approach to growth Northern Telecom looks to Europe

NORTHERN TELECOM, the Canadian telecommunications equipment manufacturer, is changing its approach to the European market. It is planning to increase considerably its direct presence in Europe.

Northern, which last year had net income of \$288m on sales of \$4.383bn, dominates the North American equipment market together with American Telephone and Telegraph, but its success in Europe has so far been restricted to a number of products and countries.

Its private exchanges are made under licence in several countries including the UK, Italy and Sweden. It sells packet switched data equipment in West Germany, it has supplied public exchanges to Mercury Communications, the rival operator to British Telecom in the UK, and it has a large joint venture in Turkey.

Northern accepts that its decision to enter most Euro-

pean markets through licence agreements has limited its visibility.

Mr Edmund Fitzgerald, Northern's chairman and chief executive officer, stressed that Northern had no intention of ending its licence arrangements, but he added: "I think in both the Pacific Rim and in Western Europe, you will find us taking a bolder position now."

"Direct investment and strategic alliances are all in our copybook."

Mr Fitzgerald argued that two factors were creating greater opportunities for Northern both to sell more equipment and to forge alliances in Europe.

The first was the move towards telecommunications liberalisation in many European countries. The second was the uncertainty created by the recent acquisition by Alcatel of France of the telecommunications interests of IIT of the US.

"There is a new attitude towards alliances in Europe, because many companies are concerned at the impact of the Alcatel-IIT merger on them," Mr Fitzgerald contended.

He added: "More telecommunications manufacturers are as a result talking more seriously about alliances than in the past."

Mr Bruce Tavner, vice-president in charge of the company's European operations, said Northern was more likely to forge different alliances in each European market, but he did not rule out the possibility of Northern forming a single major alliance across Europe.

He disclosed that Northern intended to increase its sales in Europe from about \$300m last year to about \$350m by the end of 1988 excluding growth through acquisition.

Northern wanted to sell more to the Bundespost, the German telecommunications authority, with which it is discussing sales of its smaller private exchanges.

Asked whether Northern, which has manufacturing plants in the UK and Ireland, would set up a factory in West Germany, Mr Tavner said: "It's coming. It's not imminent, but it's just over the horizon."

Mr Tavner mentioned the Netherlands, Greece, Portugal and Spain as markets where Northern did little business at present, but where it intended to become more active.

Mr Fitzgerald would not be drawn on the contest for CGCT, the company which controls 18 per cent of the French public exchange market, other than to say that Northern's bid fully complied with all the conditions laid down by the French Government about French partners.

Unity to sell A\$342m of assets to cut debt

BY CHRIS SHERWELL IN SYDNEY

THE TROUBLED Unity Group, headed by Sydney-based entrepreneur Mr Garry Carter, is to sell A\$342m (US\$246.8m) worth of assets in a bid to reduce its debts and restore investor confidence.

The move follows a failed attempt by the insurance, investment and property group to take over Humes, the Melbourne building products company, and Unity's costly settlement with the National Companies and Securities Commission (NCSC), Australia's stock market watchdog, which investigated the bid.

Unity said the failed takeover will result in a loss to Unity APA, which is jointly owned by Unity Corporation and its subsidiary APA Holdings, of A\$55.2m. Income tax benefits carried forward will reduce this to A\$10.7m.

The company is now embarking on a series of radical changes, selling property and equity investments to reduce and consolidate its business activities and to cut its debt.

APA is to sell its share portfolio, yielding an estimated A\$25m and is seeking A\$40m for its building in the heart of Sydney's financial district. Unity

hopes to raise A\$55m by reducing its 85 per cent stake in APA to 51 per cent through a placing with unspecified UK institutions.

Together with the sale and leaseback of other property—a hotel and car park—the sale of other buildings and the sale of a venture capital company, the group hopes to realise some A\$176m.

This will bring an estimated profit of A\$41.7m, the group said, and would therefore exceed the loss on the Humes investment.

As Unity APA will also receive A\$168m from the disposal of its 38 per cent interest in Humes to the Smorgon group later this month, total proceeds would amount to A\$342m.

This will be used to retire all of Unity's and APA's debt, which amounts to A\$238m, and to buy back A\$90m worth of APA shares and to cancel them, leaving a surplus of A\$117m.

At the end of this streamlining programme, the group said, it would have a consolidated equity base of A\$240m, and so debt. The strategy would ensure that "the hard-earned gains of the past two years are preserved."



Scandinavian Finance B.V.

(Incorporated in The Netherlands with limited liability)

U.S.\$60,000,000
Floating Rate Serial Notes due 1993
Guaranteed on a subordinated basis by

Scandinavian Bank Limited

(Incorporated in England with limited liability)

For the six months
15th April, 1987 to 15th October, 1987
In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 7 1/4 per cent and that the interest payable on the relevant interest payment date, 15th October, 1987 against Coupon No. 9 will be US\$388.54 per Note.

Agent Bank:
Morgan Guaranty Trust Company of New York
London

Labour dispute hits gold mines managed by JCI

BY JIM JONES IN JOHANNESBURG

ABSENTEEISM and go-slows by black workers protesting against threatened retrenchments affected production in the March quarter at Randfontein and Western Areas, the two South African gold mines managed by Johannesburg Consolidated Investment (JCI).

Both mines are engaged in underground mechanisation programmes and are due to start retrenching employees.

Western Areas was particularly badly affected as the gold recovery grade dropped to 3.7 g/t from 4.1 g/t from the December quarter's 4.1 g/t as richer underground ore could not be mined and underground tonnage lost because of stoppages was replaced at the mill by ore from low-grade surface dumps.

Mill throughput dropped to 964,000 tonnes from 1,039m tonnes and the lower gold pro-

Anglovaal profits reduced by lower rand prices

BY OUR JOHANNESBURG CORRESPONDENT

LOWER AVERAGE rand-denominated gold prices brought reduced profits in the March quarter at the three principal gold mines managed by Anglovaal of South Africa, although production was comparatively steady.

Profits were also reduced by the termination of forward sales contracts in December.

A higher recovery grade allowed Hartbeestfontein, the largest of the group's mines, to increase gold production despite a fall in mill throughput. However, the working profit from gold mining dropped to R150m (R64.5m) from R155.5m. Uranium production dropped to 109.8 tonnes from 116.4 tonnes but the profit from uranium sales rose to R12.3m from the December quarter's R637,000.

Loraine's recovery grade dipped to 5.5 grams per ton

Makita Electric pre-tax earnings ahead by 21%

BY YOKO SHIBATA IN TOKYO

MAKITA Electric Works, Japan's largest manufacturer of electric tools, boosted pre-tax profits by 21.5 per cent in the year to February to Y14,750m (\$102m) and is to start integrated production of power tools in the US in June.

Mr Takenashi Kato, the company's president, said this was in order to combat the year's appreciation and Japan-US trade friction.

Makita, which has been manufacturing 30,000 units of electric drills monthly in Buford, Georgia, on a knockdown basis since November 1985, intends to raise the output to 50,000 units a month within the year.

Mr Kato said the ratio of its US production to exports will rise from 5 per cent to 6 per cent in June and higher in the future. He said 80 to 90 per cent of the company's exports to the US would be affected by additional penalty tariffs ex-

GOLD FIELDS COAL LIMITED

(Incorporated in the Republic of South Africa)
A MEMBER OF THE GOLD FIELDS GROUP
(Formerly The Clydesdale (Transvaal) Collieries Limited)
(Registration No. 01/01124/06)

	Consolidated Quarter ended		Consolidated Quarter ended	
	31 March 1987	31 December 1986	31 March 1987	31 December 1986
ISSUED CAPITAL: 16,862,721 shares of 50 cents each				
OPERATING RESULTS (tons 000)				
Total mined	2,581	2,312	2,581	2,312
Tons sold	2,180	1,814	2,180	1,814
FINANCIAL RESULTS (R000)				
Sales and other revenue	48,609	43,901	48,609	43,901
Cost of sales	36,693	33,967	36,693	33,967
Profit before tax	12,116	9,934	12,116	9,934
Tax	3,040	4,278	3,040	4,278
PROFIT AFTER TAX	9,076	5,656	9,076	5,656
Capital expenditure	2,498	5,803	2,498	5,803
Dividend	—	6,431	—	6,431

NOTES:
1. Dividend Received: An extraordinary dividend, which will not recur, of R4.7 million, was received from an associate company during this quarter. This amount is included in the above profit.
2. Capital Expenditure: The unexpended balance of authorised capital expenditure at 31 March 1987 was R5.0 million.
3. Dividends: A dividend (No. 147) of 50 cents per share declared on 11 December 1986 was paid to members on 11 February 1987.

On behalf of the Board,
P. R. JANSCHE
A. M. D. GNODDE
Directors

13 April 1987

	Gold produced (000 oz)		After-tax profit (Rm)		Earnings (cents per share)	
	Mar 87	Dec 86	Mar 87	Dec 86	Mar 87	Dec 86
Randfontein	222.8	224.2	99.14	99.19	676.3	297.9
Western Areas	114.7	132.2	7.81	29.50	(2.1)	28.5

Earnings per share calculated after capital expenditure. Western Areas had negative earnings in the March quarter.

	Gold produced (000 oz)		After-tax profit (Rm)		Earnings (cents per share)	
	Mar 87	Dec 86	Mar 87	Dec 86	Mar 87	Dec 86
E. Tol Cons	28.8	28.2	9.29	14.95	82.2	57.3
Hartbeest	257.9	237.1	62.63	69.72	34.8	42.7
Loraine	67.4	68.4	10.81	15.32	35.5	72.8

Earnings per share are calculated after capital expenditure and loan repayments.

NEW ISSUE

These Shares have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States of America or to nationals or residents thereof. These Shares having been sold, this announcement appears as a matter of record only.

APRIL 1987

U.S. \$150,000,000

News International plc
(Incorporated with limited liability in England)

7 1/2% Guaranteed Bonds Due 1990
Unconditionally and irrevocably guaranteed by

The News Corporation Limited
(Incorporated with limited liability in the State of South Australia)

Credit Suisse First Boston Limited

Deutsche Bank Capital Markets Limited Swiss Bank Corporation International Limited

Banque Nationale de Paris Banque Paribas Capital Markets Limited

Citicorp Investment Bank Limited Commerzbank Aktiengesellschaft

Dresdner Bank Aktiengesellschaft EBC Amro Bank Limited

Morgan Grenfell & Co. Limited Union Bank of Switzerland (Securities) Limited

S.G. Warburg Securities

NEW ISSUE

These Shares have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States of America or to nationals or residents thereof. These Shares having been sold, this announcement appears as a matter of record only.

MARCH 1987

News International plc
(Incorporated with limited liability in England)

Offer of
3,350,000 Special Dividend shares
(with Restricted Voting Rights) of 25 pence each

The Offer Price is £22.375 per share

Credit Suisse First Boston Limited

Cazenove & Co. Deutsche Bank Capital Markets Limited

Banque Nationale de Paris Banque Paribas Capital Markets Limited

Citicorp Investment Bank Limited Commerzbank Aktiengesellschaft

Dresdner Bank Aktiengesellschaft EBC Amro Bank Limited

Morgan Grenfell & Co. Limited Nomura International Limited

Swiss Bank Corporation International Limited Union Bank of Switzerland (Securities) Limited

S.G. Warburg Securities

INTERNATIONAL CAPITAL MARKETS and COMPANIES

Prices plunge in secondary dealing

BY CLARE PEARSON

THE EURODOLLAR bond market had one of its most turbulent recent sessions yesterday, taking its cue from the US Treasury bond market, where prices slumped in reaction to the unexpectedly bad February trade deficit and the sharp fall in the dollar.

The kind of price falls seen yesterday and over the past week imply severe losses for Eurobond investors. Yet most people in the market thought the effects would be limited by the fact that dealers have been reducing their long positions in this sector of the market for the past few months.

The general decline in the market yesterday did not seem to affect prices of Eurobonds issued by Texaco, which filed for protection under Chapter 11 of the US bankruptcy code over the weekend. Firm prices were hard to obtain, but the straight fixed rate Texaco bonds were indicated at around 65 bid, 75 offered, around the levels to which they fell after news of the filing over the weekend.

Prices of Euroyen bonds fell up to half a point on recent oversupply of new paper. The issue for Union Bank of Switzerland was quoted 2 1/2 points below issue price. In West Germany, prices fell by up to 2 1/2 points amid some selling pressure, heavily influenced by the currency and the US bond markets. In Switzerland, prices fell slightly on currency fears.

INTERNATIONAL BONDS

building up heavy inventories encouraged by falls in US interest rates. "I just do not think there will be so much blood on the street this time," said one dealer. Nevertheless, dealers were expecting the tone to remain nervous for many days to come.

Inflation fears bolster gold-linked paper

BY STEPHEN RIDER

THE PACE of issuance of gold-linked paper was stepped up in the Eurobond market yesterday — a sure sign that international investors are growing more worried about inflation.

After a number of successful gold-backed deals in Swiss francs, Salomon Brothers launched on Monday an Ecu 75m issue for St Gobain Netherlands to a receptive market. It paid interest at 4 1/2 per cent, and carried warrants allowing holders of each Ecu 1,000 bond to buy an ounce of gold at \$490.

Japan, with a ¥300m issue. The 10-year bond carried a coupon of 4 1/2 per cent and a price of 101 1/2, which appeared tight. But IDJ said it had kept tight rein on the issue, a factor which improved its performance in a rather sickly market.

Amsterdam-Bank of America became the latest borrower in Australian dollars, launching a \$450m three-year issue at a price of 101 1/2 through EBC-Auro bond placement through Trinkaus and Burkhards and Manufacturers Hanover. The three-year bond, priced at 100 1/2, carries a coupon of 10 1/2 per cent payable in D-Marks. The bonds are payable in D-Marks at DM 1,200 per A\$1,000 and repayment will be in Australian dollars.

ROCHE LAUNCHES FIRST BOND

IN THE first appearance on the public capital market, Hoffmann-La Roche, the Swiss chemicals and pharmaceuticals group, is to issue a series of subordinated zero coupon bonds linked to gold warrants of Credit Suisse, the Zurich bank, writes John Wicks in Zurich.

A Roche executive said yesterday that this was probably the company's first capital market issue of any kind. "Though there may have been private placements made in the 1920s,"

CME turns down plan to ban dual trading

By David Owen in New York

MEMBERS of the Chicago Mercantile Exchange, the world's second largest futures exchange, have voted by a three-to-one margin to reject a proposal to ban dual trading by floor brokers in the CME's busy stock index futures and options pits.

Tokyo may give foreign firms role in NTT sale

BY GORDON CRANE

THE JAPANESE Government appears ready to offer foreign securities houses a role in the sale of shares in Nippon Telegraph and Telephone (NTT), the telecommunications utility which is Tokyo's key privatization issue and the world's biggest company by market value.

Neither the opening up of NTT to foreign investment nor a widened underwriting group are likely to be greeted with some enthusiasm outside Japan. Some London brokers were yesterday viewing with embarrassment the prospect of being asked to commit funds to an issue which is trading at a prospective earnings multiple of more than 200.

Japanese domestic institutions remain underweight in NTT, which accounts for about 12 per cent of the whole Tokyo market. The issue later this year of 1.95m shares, representing 12.5 per cent of NTT's equity and bringing to a quarter the proportion of its shares publicly held, is thus not expected to be made at any deep discount to market levels prevailing there.

Japan formula on FRN losses

BY YOKO SHIBATA IN TOKYO

THE JAPANESE Ministry of Finance and the National Tax Office have agreed with the big banks a method of valuing their huge inventories of perpetual floating rate notes that enables them to avoid showing heavy losses on their positions in their results for the financial year ended on March 31.

Under the definition of capital in the agreement, holdings of securities (including perpetual FRNs) issued by other banks must be deducted from capital.

This ruling sent a shock wave through Japanese banks, which had been counting on their holdings of perpetual issues to improve their net worth ratios. Prices fell steeply, most market makers stopped quoting prices and only indicated prices have been presented in recent months.

\$200m facility for Pioneer Concrete

By Alexander Nicol

PIONEER CONCRETE Services, the Australian building products group, has managed to secure a \$200m multi-option facility. The five-year facility is to be used both for general funding purposes and to back issues of Eurocommercial paper. It carries a facility fee of 7.25 basis points on the portion deemed to be available at any time, and 5.25 basis points on the "unavailable" portion.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on April 14

Table with columns for Bond Name, Issuer, Maturity, Coupon, Price, Yield, and other financial metrics. Includes sections for US DOLLAR STRATEGIES, OTHER STRATEGIES, CONVERTIBLE, and FLIGHTING RATE.

VNU expects further growth

VNU, the Dutch publisher, expects net profit growth to continue in 1987, Reuter reports from Haarlem.

VNU last month announced a 14.8 per cent rise in 1986 net profits to Fl 75.2m (\$27m), while turnover rose to Fl 1.73bn against Fl 1.68bn in 1985.

Mortgage Funding

MORTGAGE FUNDING Corporation (MFC) recently described in the April 13 edition of the Financial Times as a joint venture of Allied Dunbar and the Mortgage Trust subsidiary of Scandinavian Bank. We have been asked to point out that MFC was created in 1985 by Kleinwort, Benson, which manages it. Allied Dunbar and Mortgage Trust are the first two committed originators of its mortgage assets.

Advertisement for SMITH & NEPHEW Associated Companies plc. Features a large heading '£90,000,000', '4% Convertible Bonds Due 2002', and lists various financial institutions as subscribers.

UK COMPANY NEWS

Merchant banks make losses on Woolworth

By Graham Deller

SUBSTANTIAL LOSSES were incurred by three merchant banks as a result of operations to support Woolworth's share price during its successful defence against last summer's £1.5bn bid from Mr Stanley Kahn's Dixons Group.

Purchases amounting to some 1.4m Woolworth shares at prices ranging from 65p to 95p were made by Charterhouse, N. M. Rothschild and Goldman Sachs between June 11 and July 2 last year.

The shares were subsequently sold in July at just under 60p each.

Woolworth had made no agreements with its advisors regarding their possible losses. Yesterday the three banks were keen to emphasise that such share transactions were part and parcel of normal activities on behalf of clients.

Details of the losses emerged in Woolworth's document relating to the agreed £30m offer for Superdrug, the specialist drugstore chain which Woolworth targeted following the breakdown of talks with Underwoods, the London-based retail chemist.

Institutions take up 50% of Rexmore offer

Rexmore, the Liverpool-based fabric supplier and distributor, announced yesterday that the offer for shareholders to subscribe for new ordinary shares in the company had closed.

Valid applications had been received from 1,224 ordinary and preference shareholders in respect of 2,315m shares, representing 49.9 per cent of the offer.

The remaining 2,226m shares would be taken up by institutions with whom the shares were conditionally placed last month.

Rexmore announced the £1.1m placing of 4.44m new ordinary shares at 51p to help its investment in specialist areas of textile distribution and of the timber trade.

J. ROTHSCHILD has purchased 1m of its own ordinary shares for cancellation at 156p each. The issued capital will be 223,962,152 shares.

Taylor Woodrow pushed to 7% rise by UK surge

MUCH BETTER figures from the UK side more than offset a severe setback in overseas operations, and left the Taylor Woodrow group showing a 7 per cent profit increase, from £83.63m to £87.56m, for 1986.

Profit in the UK advanced from £21.72m to £39.6m, but overseas it fell from £51.94m to £17.94m. The Americas and Middle East suffered the most, their contributions sliding from £18.92m to £15.29m and from £7.95m to £2.03m respectively. Australasia fell £1m and the Far East experienced a £1.86m turnaround into a loss.

Sir Frank Gibb, group chairman and chief executive, said the year recorded the 26th consecutive increase in profits, and it was considered not unsatisfactory.

Overall profits from the property sector grew 27 per

cent, and came mainly from increased rents and trading income and not from profits on disposals. In the UK Taylor Woodrow Homes earned higher profits in buoyant conditions.

UK contracting profits had grown strongly, although not enough to offset the decline in overseas contracting earnings. In response to the reduced business in the Middle East, worldwide marketing efforts had been broadened.

Sir Frank expressed confidence in the future, based on the diverse activities, and the strong balance sheet with its rapidly appreciating property portfolio.

Value of the property portfolio advanced by £100m to £496m during 1986, including a £56m gain following a professional revaluation. After minorities, £55.8m went to re-

valuation reserve.

In 1986 the group provided £742.2m (£738.4m) of turnover and £54.15m (£46.63m) of profit, while the related companies' shares were £50.9m (£72.8m) and £3.37m (£7m).

A split of turnover and profit by activity showed: contracting £517.8m (£573m) and £15.35m (£18.89m); property £47.8m (£49.2m) and £30.37m (£18.83m) with gross rents increasing to £38.8m (£34.3m); housing £149.7m (£121.8m) and £16.23m (£14.04m); other £77.9m (£68.2m) and £5.25m (£4.33m).

The dividend for the year is raised from a scrip adjusted 8.625p to 9.5p net, with a final of 7.35p. Earnings were 27.1p (£12.78m) after tax (£12.78m) and minorities £2.96m (£2.6m).

See Lex

Precis bid values Belgrave at £35m

By Terry Pevey

Precis, a private company controlled by the Rabheru family, has been pressured into making a full bid for Belgrave Holdings after two weeks of tense negotiations with Naas Holdings, an unquoted company run by Mr Nick Jivraj.

Commenting yesterday Mr Anant Rabheru, the property company's chief executive, said that the take-over was an "amicable solution to an untenable situation where two major shareholders were working against each other."

At 285p, a share, the offer values Belgrave at £35m and providing sufficient acceptances are received the Rabherus plan to cancel the company's listing and take it private.

Mr Anant Rabheru and his father are members of Belgrave's four-man board. Larkia SA, a Swiss company controlled by the Rabheru family, has a 29.9 per cent stake.

The take-over move comes a little over two weeks after Belgrave shareholders heavily defeated a proposal from its board to sell the company's four London hotels to the Rabherus for £10.8m. Dissident shareholders objected to this proposal on the grounds that the consideration was about the same as the amount paid for the hotels to the Rabherus in 1984 in spite of steep increases in central London property prices since then.

Naas Holdings acquired its 29.9 per cent stake in Belgrave at 150p a share a couple of days before the asset disposal vote and obtained strong institutional support for their stand against this deal. Selling at 285p, the Rabherus have collected a £2.8m profit on their share parcel.

The all cash offer for Belgrave by Precis will involve the expenditure of almost £25m by the Rabherus. The ordinary share offer is not underwritten but English Trust, Belgrave's advisors, say it is satisfied that Precis has sufficient resources available to it to satisfy the offer in full. However, a partial offer of 100p for each of Belgrave's 250,000 cumulative preference shares is financially backed by English Trust.

For 1986, Belgrave reported a pre-tax profit of £1.81m (£2.25m) on a turnover of £9.7m (£7.4m).

Geo. Oliver buys Timpson Shoes

By Mike Smith

George Oliver, footwear retailer, yesterday announced the acquisition of Timpson Shoes for £15m.

Oliver says the acquisition will virtually double its size and create Britain's third largest specialist footwear retailing chain.

The combined businesses have about 500 shops and annual sales of around £90m.

Both Timpson and Oliver have suffered in recent years because of the recession in the British footwear industry but Mr Malcolm Tebbitt, Oliver finance director, said yesterday that, together, they would be

better placed to compete. Benefits would arise from rationalisation and economies of scale in buying, distribution and finance. The areas of the UK in which the companies operated were complementary: there were only 30 towns where both were represented.

Under the deal Oliver will acquire Timpson's 228 shoe shops, situated mainly in Lancashire, Scotland, Teesside and Yorkshire.

The Timpson shoe repair division will be sold to Richcentral, for £3m cash, resulting in a net consideration of £12m.

Oliver, advised by Kleinwort

Benson and which has received irrevocable undertakings from the owners of 78.8 per cent of Timpson's equity, is offering 4 new A shares and £24.94 in cash for every 59 Timpson ordinary shares.

Kleinwort Benson is offering to buy or find purchasers for the new Oliver A shares. It will pay 375p for each. There is also a loan note alternative. £14.44m.

Timpson Shoes was formed as the result of a management buy-out from Hanson Trust in 1963. Since then it has struggled along with the rest of the British shoe industry and is now loss-making.

River & Mercantile to be split level fund

By Nikki Tait

River & Mercantile Trust, the £116m non-specialist investment trust, announced yesterday that it plans to turn itself into a split level fund, offering a package of shares with different income and capital elements in exchange for the single type issued at present.

According to the managers, the move should eliminate all or much of the current discount—the difference between the trust's share price and its net asset backing. Ahead of the

announcement, this stood at 12 per cent, with net assets calculated at 237p a share; following the news, the shares added 7p to 216p.

Full details of the conversion will not be disclosed until next week, although managers say that no major change of underlying investment policy is planned.

The scheme has the support of the Water Authorities Superannuation Fund, which earlier this week announced the acquisition of a 14.77 per cent stake in River & Mercantile.

The Water Authorities—which last month was a key player in the moves to unitise US Debenture Corporation, another larger general investment trust—said yesterday that it had bought the stake because it believed the River & Mercantile scheme was interesting and, if successful, might prove more widely applicable.

At market prices, the stake is worth some £15m.



Preliminary Announcement

Year ended 31st December 1986

	1986 £m	1985 £m
Turnover	1633.5	1363.8
Operating Profit	115.3	90.7
Profit before Taxation	108.5	79.7
Earnings per share	61.0p	45.3p

Dividend of 12.5p (1985 9.4p)
for the year of 25%
and scrip issues.

The 1986 Annual Report will be posted to shareholders on 11th May 1987. To reserve a copy, telephone 01-690 1313.

RMC Group p.l.c.

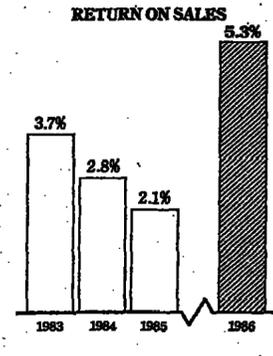
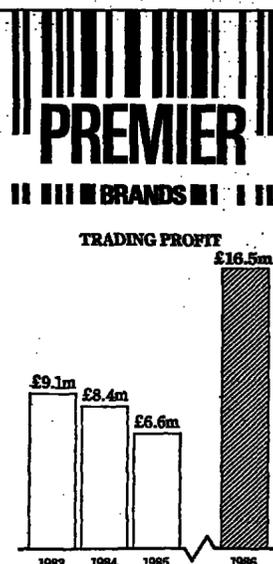
RMC House, High Street, Feltham, Middlesex TW13 4HA

Operating internationally in Austria, Belgium, France, Holland, Israel, Republic of Ireland, Spain, United Kingdom, USA and West Germany.

'An extremely encouraging first year'

Paul Judge, Managing Director - Premier Brands Ltd.

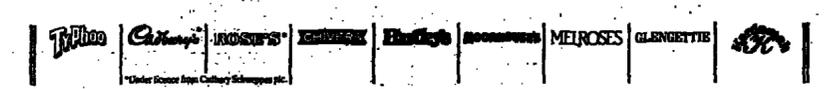
	1986 £ million	1985 £ million
Turnover	308.6	311.1
Trading profit	16.5	6.6
Net Interest	(7.3)	0.9
Profit before taxation	9.2	7.5
Trading profit return on sales	5.3%	2.1%



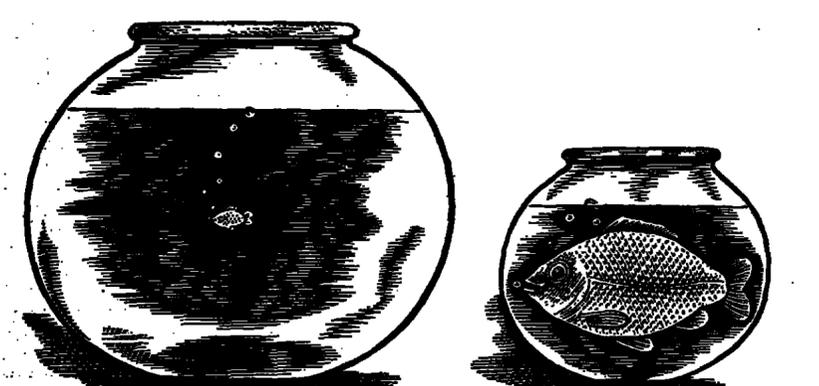
- Premier Brands began trading in May 1986 following the largest ever management buy-out in the British food industry.
- The 1986 trading profit of £16.5 million reverses the decline of the previous three years and compares very favourably with the £6.6 million earned in 1985. However, the resultant 5.3% return on sales is still below the industry average and further improvement remains a key objective.
- Cash inflow from operations of £41 million arose from this trading profit and the careful management of assets. These results are significantly ahead of the original financial plan agreed with the company's bankers at the time of the buy-out.
- Profit before taxation increased by 23% despite the higher interest payments during 1986 incurred under the new financing arrangements.
- The company continues to develop its consumer portfolio with significant support for the two successful new products, Typhoo One Cup and Cadbury's Chocolate Break.
- Two recent acquisitions, the Melroses and Glengettie tea businesses, have further strengthened the company's product range.
- Results for the current year to date indicate a continuation of the progress made during 1986.

These results are an extract from the proforma accounts contained in the 1986 Annual Report, copies of which are available from the Company Secretary.

PREMIER BRANDS LTD.
PO Box 171, Franklin House, Birmingham B30 2NA.
Telephone: 021 459 1199.



Before deciding on a merchant bank, decide what you want your company to be.



Will one of today's merchant banking conglomerates consider you a big enough catch to give you the best service?

At Singer & Friedlander we're able to guarantee the highest standards.

At any of our offices throughout the country you'll be assigned one of our seasoned professionals to take responsibility for your account.

You'll see him each time you meet us, so your relationship can develop, and he can build up a clear picture of your specific needs.

Using this detailed knowledge of your business he and his team will guide you through every aspect of corporate finance—fund-raising, raising cash for shareholders, flotations, takeovers, mergers, sales and acquisitions.

When required he will bring in our resources and expertise in banking to create an innovative package unique to your company.

In a world where corporate advisers are merging with stockbrokers and shareholders we remain reassuringly the same.

To find out more about our approach and our emphasis on personal contact, make contact in person by calling Laurence Coppel or Panton Corbett, directors of the bank.

Singer & Friedlander

01-623 3000.

LONDON, LEEDS, BIRMINGHAM, NOTTINGHAM, BRISTOL, CAMBRIDGE, GLASGOW, ISLE OF MAN.

UK COMPANY NEWS

Barham more than trebled at £4.5m

Barham Group, a media and communications company, announced record results for the year ended January 31 1987 with pre-tax profits more than trebled from £1.42m to £4.51m on a turnover more than doubled at £22.84m compared with £11m for 1985-86.

Coupled with the results, the company announced a new share issue of 15,000,000 shares at a price of 15p each, a 100% increase on the current price of 15p.

The share issue is a convertible preference issue with an open offer to all existing shareholders through Robert Fleming at 100p per share.

The group's policy of expansion by acquisition will be continued principally within prime target areas of advertising, market research and financial services.

comment

Barham has made eight acquisitions during the year and 14 since July 1985. These explain much of the group's impressive profit increase but it also grew organically by about 22 per cent.

New management puts MBS back into profit

Micro Business Systems, which launched a rescue package early last year consisting of asset sales and a rights issue, yesterday reported that for the 1986 year it had swung from losses of £3.1m to profits of £237,000 pre-tax.

The directors said the turnaround reflected the combination of actions taken by the new management team during 1986 headed by Mr Owen Williams, the chairman designate, and Mr Stafford Taylor, the chief executive.

The directors pointed out that MBS was moving away from the basic personal computer market into higher margin value added business.

Silvermines dives £2.3m into the red

Silvermines, a Dublin-based investment holding company, was adversely affected by asset write-downs of oil related investments during 1986 and for the year ran up a loss of £2.33m (£2.12m) at the pre-tax level.

The directors said the principal factor affecting the portfolio of oil investments was the downturn in world oil prices.

Wates City of London Properties plc

£25,000,000 9 1/2 per cent Bonds 1993 Issue Price 99 1/2 per cent.

NOTICE is hereby given to persons entitled to partly-paid Bonds that payment of the final instalment of the issue price, namely £7,950, per Bond is due to be made to Wates City of London Properties plc on 7th May, 1987 ("the due date") in pounds sterling in immediately available funds.

- Accordingly: (1) any such person so entitled whose holding of partly-paid Bonds is shown in the records of Morgan Guaranty Trust Company of New York as operator of the Euro-clear System ("Euro-clear") must authorise Euro-clear not later than its opening of business on 30th April, 1987 to debit his account with Euro-clear on that day with the amount due in respect of his holding of partly-paid Bonds as shown in Euro-clear's books at its close of business on 29th April, 1987 at the rate of £7,950 per Bond; and

Wates City of London Properties plc is entitled to accept payment of the final instalment on any Bond which has not been forfeited at any time after the due date of payment. No payment made after the due date shall be accepted unless accompanied by a further payment representing interest accrued at the rate of 10 per cent per annum calculated from (and including) 7th May, 1987 to (but excluding) the date of actual payment.

Neither Euro-clear nor CEDEL will clear any transactions in the Bonds for settlement on or after 7th May, 1987 unless such transactions are in fully-paid Bonds.

Anglovaal Group

Mining companies' reports - Quarter ended 31 March 1987

Table for Anglovaal Group with sub-sections for Haribeesfontein Gold Mining Co Ltd and Eastern Transvaal Consolidated Mines Ltd. Includes financial results, development, and financial data.

Table for Eastern Transvaal Consolidated Mines Ltd. Includes financial results, development, and financial data.

Table for Pitsika Copper Mines (Pty) Ltd. Includes financial results, development, and financial data.

Table for Loraine Gold Mines Ltd. Includes financial results, development, and financial data.

Table for Consolidated Murchison Ltd. Includes financial results, development, and financial data.

SE BUSINESS IN MARCH

BY TERRY SYLAND

Securities turnover surges 41.4% to reach £165bn

STOCK EXCHANGE turnover statistics for March confirm the surge of investment money into UK Government bonds as sterling benefited from the dollar's weakness and investors discounted cuts in British bank base rates.

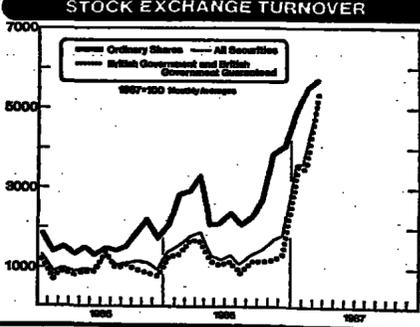
Market turnover for all types of securities jumped by 41.4 per cent on the February figure to total £165bn. The bulk of the increase in business came from the gilt-edged sector - turnover in equities showed only a minor gain.

Trading in Giltis in March was worth £12.8bn, a rise of 54 per cent on the February month. At the same time, turnover in New York Federal issues - turnover surged by 70 per cent to £47.7bn.

Over the month, the FT 100 share index fell by 24.7 points to 1,877.1, and the FT 1000 index fell by 34.7 points to 2,517.8.

Both gilt-edged and equity markets, which are believed to have suffered from the effects of the falling dollar on their investments in the US.

Japan has brought fears that any move to impose sanctions against Japanese banks in London could severely reduce foreign investment in the London securities markets.



FOREIGN EXCHANGE AND DEALING ROOMS THE BANKER JUNE 1987

The Banker will be discussing four essential points within its Foreign Exchange report in the June issue:

- How profitable is Foreign Exchange Dealing - who are the market makers in the major currencies - who are the market makers in other currencies.
- Exposure Management techniques are at the heart of a Bank's own treasury operations. CDs, options, SWAPS, cross-border hybrids, long-dated forward transactions, etc.
- Global 24 hours trading in Foreign Exchange requires human and electronic stamina. An examination of the hard- and software systems and at what cost.
- Forecasting is for the professional.

For further details please contact: The Marketing Director, The Banker, 102-108 Clerkenwell Road, London EC1M 6SA. Tel: 01-251 9321 Telex: 23700 FINBI G

TAYLOR WOODROW

Construction, Property and Homes – Worldwide

Preliminary results

- 26th year of increased profit backed by long term housing and property investment
- £100m increase in value of property portfolio which is 32% growth over 1985
- Steady increase in profits and earnings per share
- 10.1% increase in dividends recommended
- Substantial increase in U.K. construction and housing profits
- 27% increase in property profits

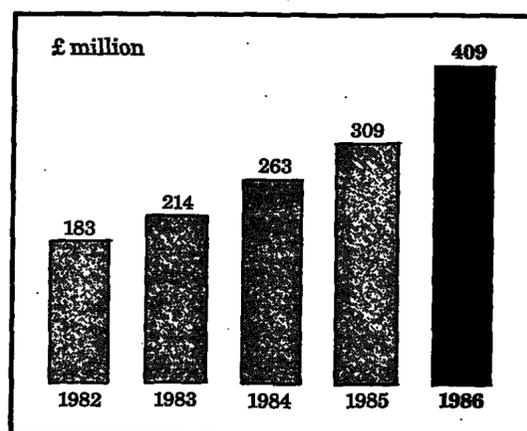


Results at a glance

	1986	1985
Turnover	£793.2m	£812.2m
Pre-tax profit	£57.6m	£53.7m
Earnings per share	27.1p	24.5p*
Dividends paid and proposed	9.5p	8.625p

*excluding exceptional non-recurring tax credit

Property portfolio



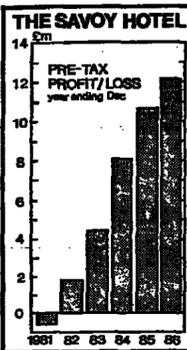
Achieved through free enterprise and teamwork



UK COMPANY NEWS

Savoy Hotel lifts profits 13% to a record £12m

The Savoy Hotel yesterday announced a 13 per cent rise in pre-tax profits to a record £12.09m for 1986, compared with a previous £10.71m.



The directors are recommending an increased single final dividend of 4p (3.5p) on the A shares for the year and a dividend of 5p (3.75p) on the B shares.

Turnover for the year rose by 5 per cent to £54.79m (£55.97m). Trading expenses took an increased £50.79m (£48.2m), and depreciation was £2.25m (£1.6m).

Mr Shepherd said that experience showed there was an attractive and profitable niche in the London hotel market, and elsewhere for a small, but renowned, group of de luxe hotels.

Investment income added a lower £530,000 (£573,000), and minorities taking a reduced £14,000 (£88,000), attributable profits came out ahead at £8.39m (£7.14m). Retained profits were £7.25m (£6.14m).

Rental spending holds back TR growth rate

A PROFIT increase of 10 per cent, from £15.66 to £17.24m pre-tax, was recorded by Telephone Rentals in 1986.

The dividend is raised from 7p to 7.75p with a final of 5p, despite higher tax leading to a reduction in earnings from 13.41p to 12.64p.

Months also continued at high level in the UK and overseas. Having regard to the business in hand and the benefits from our growing rental base we are confident that 1987 will see further improvement in profits before tax," he stated.

(£13m) with this year including full benefit of the Cass Group France £10.5m (£8.8m) and £71.000 (£575,000); Ireland £3.7m (£3.07m) and £88,000 (£501,000); South Africa £4.13m (£2.79m) and £1.2m (£782,000); North America \$7.21m (\$4.95m) and \$322,000 (\$375,000).

Edmond up to £0.53m

Edmond Holdings, the Hull-based householder, has continued its improving trend. For the second half it made a pre-tax profit of £381,000 giving a total of £837,000 for the whole of 1986. That compared with £95,000 previously.

Earnings were 1.2p (0.24p) and the final dividend in 0.53p for a 0.5p net total, against the single 0.5p last year. Since the end of the year, the company has acquired Northampton-based Sunward Homes for £4.2m, consisting of £2.1m cash and the issue of 10.5m shares.

SEET builds up stake in TACE

THE CLOTHING fabrics and mohair group, Scottish English and European Textiles, announced yesterday that it had acquired a 2.56 per cent interest in TACE, the control equipment group.

Group, was finally acquired by Edmond Holdings last year. L & N's own interest in TACE — 30.5 per cent a month ago — was currently being placed in two separate transactions, and Mr Mackenzie said he intended to make an offer for the entire second tranche, representing 11.25 per cent of the equity.

holding had not been acquired through the placing and was built up over a period of time. The stake was acquired at an average price of 460p a share — yesterday TACE was unchanged at 500p — and SEET said that the purchases represented "a diversification into a high technology group with growth prospects."

Saatchi denies bid talks

SAATCHI DENIES BID talks elaborate on the statement and comment on whether it had been interested in the past or might consider discussions in the future. Press speculation had previously suggested that Saatchi had expressed an interest to JWT.

However, Saatchi refused to elaborate on the statement and comment on whether it had been interested in the past or might consider discussions in the future. Press speculation had previously suggested that Saatchi had expressed an interest to JWT.

F. L. Smith will have to scale down

A successful response to F. L. Smith's partial offer for Anglo-Nordic, the engineering and property concern, means that it will be subject to scaling-down arrangements.

Fairbairn makes £4.5m acquisition

Fairbairn, a residential property developer, has acquired Ryan of Wimborne, also a residential property developer, through the issue of a maximum of 2m shares — the equivalent of £4.5m. It is Fairbairn's first acquisition since it obtained a full listing in October 1985.

NOTICE OF REDEMPTION

To the Holders of UNITED KINGDOM Fifteen Year 8 3/4% Bonds Due 1993

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of May 1, 1978 and the Terms and Conditions of the Bonds, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected \$33,400,000 principal amount of the 8 3/4% Bonds due 1993, for redemption on May 1, 1987 for the mandatory and optional Sinking Funds at 100% of the principal amount thereof plus accrued interest to the redemption date as follows:

Table with 10 columns: Principal Amount to be Redeemed, Number, and Principal Amount to be Redeemed. Lists bond numbers and amounts for redemption.

OUTSTANDING REGISTERED BONDS CALLED IN FULL OR PART AS STATED EACH BEARING THE FOLLOWING DISTINCTIVE NUMBERS:

Table with 4 columns: Principal Amount to be Redeemed, Number, and Principal Amount to be Redeemed. Lists bond numbers and amounts for redemption.

Payment will be made on May 1, 1987 for the bearer Bonds selected for redemption upon presentation and surrender of said Bonds with coupons due November 1, 1987 and subsequent coupons attached at the main offices of the Fiscal Agent in London and Brussels and the Bank of England in London.

Payment will be made on May 1, 1987 for the portion of the registered Bonds selected for redemption upon presentation and surrender of said Bonds at the Corporate Trust Office of the Fiscal Agent, 30 West Broadway, New York, New York 10015 or at the above mentioned offices.

On and after May 1, 1987 interest shall cease to accrue on the Bonds or portions thereof herein designated for redemption. Payments at the office of any Paying Agent outside of the United States will be made by check drawn on, or transfer to a United States dollar account with a bank in the Borough of Manhattan, City and State of New York.

THE LORDS COMMISSIONERS OF HER MAJESTY'S TREASURY

Dated: April 1, 1987

The following Bonds each bearing the following distinctive numbers previously called for redemption have not as yet been presented for payment:

Table with 3 columns: Principal Amount to be Redeemed, Number, and Principal Amount to be Redeemed. Lists bond numbers and amounts for redemption.

This advertisement complies with the requirements of the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited. It does not constitute an offer of, or invitation to subscribe for or purchase, any Bonds.



Lucas Industries Inc

(Incorporated in the State of Michigan, U.S.A. with limited liability)

US\$83,000,000

5 1/4 per cent. Convertible Bonds Due 2002 Convertible into Ordinary shares of

Lucas Industries plc

(Incorporated in England with limited liability)

Unconditionally guaranteed as to payment of interest (including any supplementary interest payable upon redemption at Bondholders' option) by Lucas Industries plc

Issue Price 100 per cent.

The following have agreed to subscribe or procure subscribers for the above Bonds:-

J. Henry Schroder Wagg & Co. Limited

Table listing subscribers for the bonds, including Banca Nazionale del Lavoro, Barclays de Zoete Wedd Limited, Cazenove & Co., Citicorp Investment Bank Limited, Commerzbank Aktiengesellschaft, Credit Lyonnais, Credit Suisse First Boston Limited, Deutsche Bank Capital Markets Limited, Dresdner Bank Aktiengesellschaft, Lloyds Merchant Bank Limited, Merrill Lynch International & Co., Samuel Montagu & Co. Limited, Morgan Stanley International, The Nikko Securities Co., (Europe) Ltd., Nomura International Limited, Shearson Lehman Brothers International, Inc., Smith Barney, Harris Upham & Co. Incorporated, Société Générale, Swiss Bank Corporation International Limited.

Application has been made to the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited for the Bonds to be admitted to the Official List.

Listing particulars relating to the issuer, Lucas Industries Inc and the Bonds are available in the Statistical Services of Essex Finance Limited and may be obtained during usual business hours up to and including 21st April, 1987 from the Company's Representative Office of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited and up to and including 29th April, 1987 from:-

Table listing agents for the bonds: Lucas Industries plc, Great King Street, Birmingham B19 2DF; J. Henry Schroder Wagg & Co. Limited, 120 Cheapside, London EC2V 6DS; Cazenove & Co., 12 Tottenham Yard, London EC2R 7AN.

15th April, 1987

The Financial Times proposes to publish a Survey on

MACHINE TOOLS

on Thursday July 2 1987

The following topics will be covered:-

- 1. Joint Ventures 5. Italy
2. Automation 6. The US
3. Export 7. Korea and Taiwan
4. West Germany 8. The UK

For an editorial synopsis and advertising information please contact:

STEPHEN DUNBAR-JOHNSON on 248 8000 ext 6145 or your usual Financial Times representative. The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the editor.

GRANVILLE SPONSORED SECURITIES

Table with 5 columns: High Low, Company, Price Change, Gross Yield, P/E. Lists various securities and their performance metrics.

Granville & Company Limited, 8 Lovell Lane, London EC2R 6EP; Telephone 01-621 1212; Member of FIMBRA.

Halifax Building Society

purchase of the whole of the share capital of

Jackson Property Services

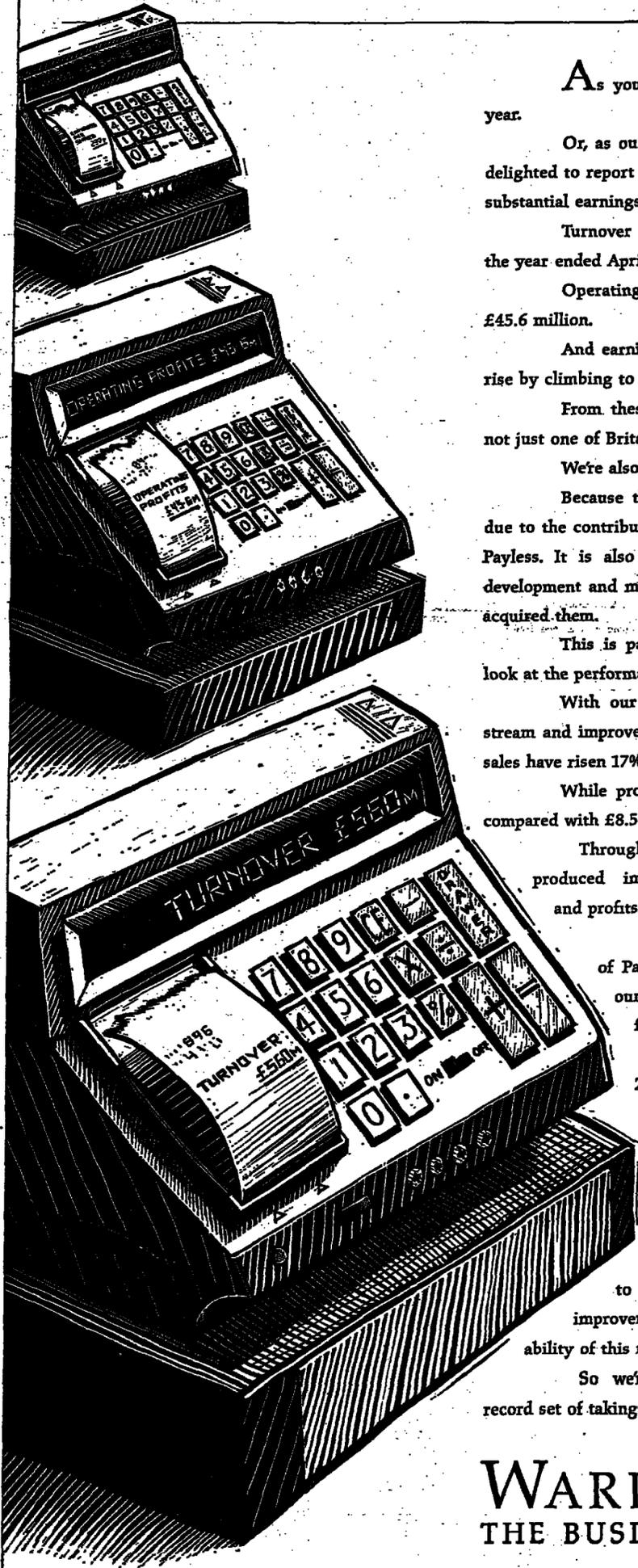
Estate Agents

Advisers to the Vendor

Spicer and Pegler Associates Corporate Finance Group



OUR TAKINGS FOR THE LAST YEAR.



As you can see, we've just rung up a record year.

Or, as our Chairman, Philip Birch, puts it, "I am delighted to report a year of spectacular developments and substantial earnings growth for the Group."

Turnover was up 64% to almost £560 million in the year ended April 1987.

Operating profits shot up 77% to no less than £45.6 million.

And earnings per share continued their dramatic rise by climbing to 23.7p.

From these results, it's quite obvious that we're not just one of Britain's fastest growing businesses.

We're also one of its most successful retailers.

Because this record rate of growth is not only due to the contribution of recent new acquisitions such as Payless. It is also due in large part to the successful development and management of companies once we have acquired them.

This is particularly evident for example if you look at the performance of Halfords.

With our new edge-of-town stores coming on stream and improved performance from the existing chain, sales have risen 17% to £144 million.

While profits have accelerated to £12.2 million compared with £8.5 million in the previous year.

Throughout the group, in fact, each sector produced impressive results both in turnover and profits.

The rapid expansion and development of Payless is already showing how quickly our management can produce better results from companies we acquire.

We've added 9 new stores, 228,000 square feet and produced record profits of £13.7 million in only 10 months.

In the current year, of course, our newest auto parts retailer, Whitlock, will make a major contribution to profits.

And we have already started to implement important changes and improvements designed to raise the profitability of this major U.S. chain.

So we're confident of ringing up another record set of takings this year.

WARD WHITE 
THE BUSINESS OF GROWTH

This advertisement complies with the requirements of the Council of The Stock Exchange. It does not constitute an offer of, or invitation to the public to subscribe for or purchase, any securities.

£110,000,000

Consolidated Gold Fields PLC

(Incorporated with limited liability in England)

6¾% Convertible Subordinated Bonds Due 2002

The following have agreed to subscribe or procure subscribers for the Bonds:

Credit Suisse First Boston Limited

J. Henry Schroder Wagg & Co. Limited

Union Bank of Switzerland (Securities) Limited

S. G. Warburg Securities

Banque Paribas Capital Markets Limited

Cazenove & Co.

Dresdner Bank Aktiengesellschaft

Morgan Guaranty Ltd

Swiss Bank Corporation International Limited

Yamaichi International (Europe) Limited

The issue price of the Bonds is 100 per cent. of their principal amount. Application has been made to the Council of The Stock Exchange for the Bonds to be admitted to the Official List.

Interest will be payable annually in arrear on 30th September of each year, except that the first payment of interest will be made on 30th September, 1987 in respect of the period from 7th May, 1987 to such date.

Copies of Listing Particulars relating to the Bonds and the Issuer may be obtained during usual business hours up to and including 17th April, 1987 from the Company Announcements Office of The Stock Exchange and up to and including 29th April, 1987 from:

Credit Suisse First Boston Limited,
22 Bishopsgate,
London EC2N 4BQ

Cazenove & Co.,
12 Tinkerswell Yard,
London EC2 7AN

Consolidated Gold Fields PLC,
31 Charles II Street,
St. James's Square,
London SW1Y 4AG

Bankers Trust Company,
Dunwood House,
69 Old Broad Street,
London EC2P 2EE

15th April, 1987

These Debentures having been sold, this announcement appears as a matter of record only.

New Issue

Xerox Canada Finance Inc.

(Incorporated with limited liability in Canada)

Can. \$75,000,000

9¾ per cent. Debentures due 1997

(Unconditionally guaranteed by Xerox Canada Holdings Inc.)

Issue Price: 101½ per cent.

McLeod Young Weir International Limited

Citicorp Investment Bank Limited

Banque Bruxelles Lambert S.A.

Banque Internationale à Luxembourg S.A.

Banque Nationale de Paris

The Bank of Nova Scotia International Limited

Deutsche Bank Capital Markets Limited

Dresdner Bank Aktiengesellschaft

The Nikko Securities Co., (Europe) Ltd.

Salomon Brothers International Limited

Société Générale

April, 1987

WestLB

International S.A.

Condensed
Balance Sheet
as per
December 31,
1986

ASSETS	In millions of DM	previous year
Amounts due from banks	4,480.5	4,792.0
Loans and advances to customers	4,105.8	4,858.8
Securities	834.8	806.5
Other assets	297.2	358.7
	9,718.3	10,816.0
LIABILITIES	In millions of DM	previous year
Amounts due to banks	7,482.3	8,899.2
Current deposits and other accounts	1,053.9	732.1
Other liabilities	239.0	295.3
Share capital	125.5	125.5
Reserves	224.7	224.0
Provisions	580.3	491.4
Profit	12.6	48.5
	9,718.3	10,816.0

The unabridged annual statement as well as the profit and loss accounts will be published in the "MEMORIAL, Amtsblatt des Großherzogtums Luxemburg, Ausgabe C" (Official Gazette of the Grand Duchy of Luxembourg, edition C).

WestLB International S.A.
32-34, boulevard
Grande-Duchesse Charlotte
P.O. Box 420
L-2014 Luxembourg
Telephone: 44.74.11

Subsidiary of
Westdeutsche Landesbank
Girozentrale
Düsseldorf/Münster

UK COMPANY NEWS

Guthrie marks its return with £17.6m

The Guthrie Corporation, a diversified industrial holding company, lifted its pre-tax profits from £14.1m to £17.6m in 1986 on turnover which fell back from £322.0m to £321.0m. Last June, Guthrie returned to the stock market with a listing valuing it at £123m. This followed a five-year absence during which time its Malaysian plantations, which had been the mainstay of the company, were sold.

Some 68 per cent of the company's shares are held by Permodalan Nasional Berhad, the Malaysian government investment agency.

Shareholders benefit through a proposed final payment of 3.2p forecast at the halfway stage when Guthrie declined to make an interim payment.

Operating profits by division were: automotive components, £5.32m (£5.52m); aviation services, £6.23m (£5.98m); electrical equipment, £1.38m (£1.86m); fire protection equipment, £2.72m (£4.53m); textiles and floor coverings, £2.35m (£3.09m); and trading, £470,000 (£876,000), making £17.72m (£18.24m).

Interest payable amounted to £2.08m (£4.14m) and after tax charges totalling £2.38m (£2.25m), earnings per share worked through at 19.1p (16.5p).

comment

The born-again Guthrie group failed to capture the market's imagination in its flotation last summer, but over the past couple of months there has been something of a re-rating, which was underlined by yesterday's figures. 1987 should see a further good profits advance, with the electrical and fire fighting divisions bouncing back from last year's problems and aviation seeing growth in its service and engineering side at least partially compensated for the non-recurrence of 1986's jumbo jet sales fees. Automobile components may be held back by the upheaval of GM's introduction of the new "W" car for which Guthrie is a supplier—but this division holds out the prospect of strong growth on a two year view. At least £21m pre-tax should be possible, and a 22 per cent tax charge and last night's close of 200p puts the shares on a prospective p/e of about 10.5. That is still cheap, though the 68 per cent Malaysian stake (which can be reduced come the summer), may be a damper, together with Guthrie's vulnerability to movements in the dollar. A proven track record in acquisitions would do much for the management's image and an unaged sheet gives it plenty of scope.

Cradley Print moves up 10%

Cradley Print, lithographic printer, lifted pre-tax profits by 10 per cent from £482,000 to £533,000 on turnover up from £4.62m to £5.18m.

The chairman said that the company's policy of investment in new equipment was continuing and it had had some success in its aim to increase direct exports.

Tax charges took £186,000 (£187,000) and adjusted earnings per share rose from 0.91p to 1.06p.

Carborundum ahead

Carborundum Abrasives, manufacturer of abrasive products, shares in which are dealt with on the over-the-counter market made by Granville, increased pre-tax profits from £1.91m to £2.35m in 1986. Turnover rose from £45.97m to £51.93m.

Shareholders will benefit from a proposed final dividend of 1.2p (5p) making a total for the year of 7.8p (6.4p).

Mr Trevor Egan, chairman, said that the company would continue to invest in its successful profitable core business and to expand its range of products by acquisition.

Tax took £886,000 (£894,000) and earnings per share rose to 2.9p (20.7p).

Mercury Asset

Mr P. S. Wilmot-Stilwell, who sold 58,594 ordinary shares in Mercury Asset Management at 318p and 28,596 at 332p, and Mr R. D. C. Brooke, who sold 51,440 at 332p each, are directors of Mercury International Group not Mercury Asset Management as stated in yesterday's paper.

BOARD MEETINGS

TODAY
Hawkins: Anchor Chemical, Astra Holdings, Humber Chemicals, Controls, McKee, New Central Wiltshire, New Central Wiltshire, Wiltshire, Smith Industries, Swindon Private Hospital, Waco Patents.

Friday: Avia Europa, Barbery, British Metals, Carlin Industries, Horncor, Albert Fisher, Hawker Siddeley, Helios of London, Laporte Industries, Lawrance, Parsons, Puri, William Sindell, United Ceramic Distributors.

FUTURE DATES

Flaming Japanese Inv. Trust Apr 16
Huntingdon International Apr 29
Lyle (S.) Apr 27
Phillips Apr 28
Vaux Apr 23

Friday (James) Apr 24
Cater Allen Apr 28
City of Oxford Inv. Trust May 6
Clackson (Hay) Apr 30
Dawson International June 16
Denora Apr 27

RMC meets expectations in 36% rise to £108.5m

RMC Group's pre-tax profits for 1986 showed a gain of 36 per cent from £79.7m to £108.5m, which was well up to market expectations.

The September interim statement, with profits up from £25.4m to £33.1m, indicated that the results for the full year would be good, boosted by stronger performances in UK and West Germany and ably supported by improved results from Austria, France, Spain and the US.

A break down of operating profits revealed that UK was up from £56m to £61.7m, West Germany advanced from £12.1m to £19.8m and other countries from £22.6m to £33.8m. Ready mixed concrete and aggregate contributed £73.8m (£67.3m) of the £115.9m (£90.7m) total, cement lime and concrete products £26.9m (£20.8m) while merchanting, DIY, waste disposal, security, leisure and others accounted for £14.8m (£12.7m).

Reviewing the past year Mr John Camden, the chairman, confirmed the solid performance in the UK and improvements overseas and said that these factors together with a substantial reduction in the interest charges had resulted in the rise in profits.

Dealing with performance in the sector the Mr Camden said the ready mixed concrete and

aggregate operations remained the cornerstone of RMC's business. Further progress was made in the UK, Europe and the US during 1986. In Ireland the quoted Readydyne subsidiary showed a welcomed recovery in profitability with improved margins.

Cement, lime and concrete products had assumed an increasing importance in the overall profitability of the group.

Hall & Co, the builders' merchants, had enjoyed a record year as had the DIY chain of supermarkets. Hales Containers, the waste disposal company, improved its position in the industrial sector and maintained its market share in building and civil engineering. Sound progress was made in the security alarm division and Thorpe Park (leisure) maintained its profitability despite a fall in attendances due to dismal weather over bank holidays.

Turnover last year rose from £1.36bn to £1.58bn. Interest charges fell from £11m to £8.9m; tax amounted to £40.9m (£32.3m); outside shareholders' interests to £8.5m (£4.4m) and there were extraordinary credits of £500,000 (debits £1.2m) to leave attributable profits of £98.6m (£61.8m), which included £2.5m resulting from the strengthening against sterling

of the respective currencies in most areas in which the group operated.

Earnings per share rose sharply from 45.3p to 61p and shareholders get a 3.5p lift in the dividend with a final of 12.5p to make 17.5p (14p). In addition, a one-for-one scrip issue is proposed.

comment

The advantage of RMC's broad geographic spread was well illustrated by these figures. The UK market for concrete and aggregates market was sluggish but West Germany and France came right with a vengeance, the benefits of rationalisation further enhanced by a weaker pound. The current year may see a reversal of the pattern.

Continental growth can hardly be sustained at last year's levels but UK prospects are looking bright. Demand for construction materials is 3 to 4 per cent after a year of stagnation, and although RMC is understandably coy about the ramifications of the cement price cartel break-up, it is hard to believe that the company will gain nothing on its margins as a result. Most forecasts for the current year's profit are in the £125m to £130m range, producing a prospective p/e multiple of around 11 at 780p — still yielding a point or two to the likes of Tarmac and Redland.

Norfolk Capital rises to £1.4m

BY GRAHAM DELLER

Norfolk Capital, the hotel, restaurant and public house operator, exceeded City expectations in revealing a 39 per cent expansion on an annualised basis in taxable profits, for the 12 months to end-December 1986.

Turnover was £13.44m compared with £15.06m for the 15 months to December 1985 — an effective annualised increase of 11 per cent. Interest accounted for £228,000 against £220,000 for the comparable period and in fees of taxation and the effect of a pre-tax figure of £1.41m (£1.27m).

After tax of £372,000 (£189,000), earnings per 5p share came out at 0.9p (0.99p).

comment

As forecast at the time of Norfolk's purchase of Celebrated Country Hotels in January, the final dividend is increased 25 per cent to 0.25p, making a total of 0.375p for the year.

Mr Peter Eyles, managing director, attributed the upturn in group turnover to improved room rates. The hotel industry's well-publicised problems last year which emanated from a severe shortfall of tourists, particularly from the US, owing to fears of terrorism and the Chernobyl disaster, had less effect on Norfolk than on its competitors, he added.

This he put down to Norfolk's

stated policy of concentrating on conferences and businessmen, a course that the group intended to actively pursue in the future.

Norfolk's acquisition of two Edinburgh hotels from Guinness in a near-£24m deal last September — the five-star Cairnwood and the four-star North British — had little noticeable effect on the results, but possessed "great trading potential."

The four-star Caversham hotel at Reading — an area in need of quality hotels according to Mr Eyles — was well advanced and should be ready for occupation early next year.

St Ives back on acquisition trail

BY NIKKI TAIT

St Ives, the book and magazine printing group, yesterday returned to the acquisition trail after a year of consolidation, with the £8.4m purchase of the private family-owned magazine printers, The Riverside Press.

The deal will be financed by the issue of 1.68m new shares — just under 7 per cent of the existing equity — with the bulk of these being retained by vendors.

The acquisition brings eight more web offset presses into the group, taking the total number to around 30, and raises capacity on the magazine side by some 40 per cent.

Yesterday, Mr Bob Gavron,

chairman of St Ives, stressed that Riverside's location — it is based in Kent — would double St Ives to service the London magazine market better in terms of rapid turnaround. "At present," he commented, "our nearest magazine plant is in Peterborough."

Riverside currently prints some 80 titles, including The Lady, Estates Gazette and Marketing Week, compared with St Ives' existing 350 — of which 60 have been added since the start of the financial year last August.

In the year to end-January 1987, Riverside made pre-tax profits of £1.8m on sales of £12.5m, and net assets are put at around £5m.

In spite of the investment — all the web offset presses are modern, with two of them newly installed — the currently commissioned Riverside comes with relatively modest debt at £1.5m.

Mr Gavron indicated that this acquisition could herald renewed bid activity by St Ives. It is now over a year since it added Chase Webb Offset for £22m, and slightly longer since it bought book printer, Richard Clay, for £18.8m.

News of the Riverside acquisition was greeted by a 45p increase in the shares to 505p yesterday.

NABARRO NATHANSON

WE ARE MOVING...

As from Tuesday, 21st April 1987
our new address will be:

50 Stratton Street
London W1X 5FL
Telephone: 01-493 9933
Telex: 8813144 NABARRO G
Fax: 01-629 7900

N



UK COMPANY NEWS

Ward White profits ahead of expectations at £41m

Ward White, the acquisitive retail group, yesterday topped analyst expectations with a 59 per cent rise in pre-tax profits to £41.3m in the year to end-January...

Redland terminates talks with Monier

Redland, the Regatta, Surrey, based building materials group, announced yesterday that discussions relating to the possible acquisition of Monier, its 49.9 per cent owned Australian associate, had been terminated.

Wardle lifts Chamberlain offer

Wardle Stores, the budding industrial conglomerate, yesterday launched an increased and final bid for Chamberlain Phipps, writes Philip Coggan.

A cash alternative of 157.5p per share and a partial convertible offer of 162.5p. Also on offer is a special 3.55p interim dividend which matches the proposed final dividend from Chamberlain.

Chamberlain swiftly rejected the offer with Mr David Chamberlain, the chairman, saying that "Wardle Stores has again failed to show any commercial logic for this bid."

At the first closing date for its original offer, Wardle received acceptances of only 0.47 per cent. The new offer will close on May 1.

Philip Coggan on the background to the revised £62m bid The shoe dynasty under threat

ON APRIL 1 Mr David Chamberlain was due to take over Wardle Stores, the budding industrial conglomerate...

Wardle now calls its "ill-judged and poorly directed diversification programme."



Brian Taylor, managing director of Wardle Stores

The surviving RFD businesses increased profits by 118 per cent but more impressive was a 70 per cent increase in profits from the technical products mainly plastics sheeting manufacturing.

He has "no plans to divest any part of Chamberlain Phipps" and he adds that "no Chamberlain manager, provided he's competent has anything to fear."

James Ferguson acquires 10% interest in BCSR

James Ferguson Securities, a subsidiary of James Ferguson Holdings, the financial and computer services and investment holding company, has acquired 10.4m shares in Bristol Channel Ship Repairs.

BPB in £69m acquisition

BPB Industries has paid \$Fr 168.4m (\$69.4m) to buy plasterboard and gypsum interests in West Germany, the Netherlands, Italy and Austria.

McLeod Russel disposal plan

Shares in McLeod Russel, a plantations and industrial group, rose sharply yesterday, to close at 389p, up 55p, when it announced it had reached agreement in principle to sell most of its Indian tea interests for \$18.4m to a consortium of European investors.

BROADGATE PHASES 6 AND 7 £300,000,000 Limited Recourse Medium Term Loan Facility THE ROSEHAUGH STANHOPE DEVELOPMENTS GROUP

Avana bid heads for photo finish THE £280m bid battle for Avana, the Welsh food company, is moving closer to a photo finish with both sides in the market for shares yesterday.

Christy-Hunt diversifies Christy-Hunt, an engineering group, is diversifying into ceramics with an acquisition valued at up to £2.4m.

DIVIDENDS ANNOUNCED Table with columns: Company Name, Current payment, Date of payment, Total for year, Total last year

Guthrie Profits up by 25% Year ended 31 December 1986 1985 Profit before taxation £17.6m £14.1m Profit after taxation £14.8m £11.8m Earnings per share 19.1p 16.5p

COMMODITIES AND AGRICULTURE

Gold nears 4-year high as stocks and bonds fall

BY STEFAN WAGSTYL, MINING CORRESPONDENT

GOLD PRICES in London closed at their highest levels for nearly four years yesterday as investors diverted funds away from the falling equity and bond markets.

Another London trader said: "Gold is on the cusp." It had reached the levels last seen last September. If it now reaches \$450 an ounce it could soar away, he said.

Gold has been rising steadily for two years since hitting a low for the 1980s of \$294.75 an ounce at the London close in early 1985. However, much of the increase has merely reflected the rise in the US dollar over that time.

Cocoa market unimpressed by producer plan

By Peter Blackburn in Abidjan

THE ANNOUNCEMENT last week by major cocoa producers that they would raise harmonised sales of cocoa beans and products has made little impact on a dull and sceptical market, analysts report.

A communiqué issued after a four-day meeting in the Central American Republics of the 11 nation Cocoa Producers Alliance (CEA) expressed "serious concern" at the current world market situation but did not specify what measures would be taken to harmonise sales.

US steps up attack on Japan's rice ban

MR RICHARD LYNG, the US Agriculture Secretary, was leaving today for Tokyo, where he will demand that Japan should remove barriers to US exports of rice, beef, citrus and other farm products, or face mounting trade protectionism in the US, reports Reuter from Washington.

He will also be demanding that Japanese import quotas on beef, fresh oranges and orange juice should be scrapped or at least liberalised by April 1.

Japanese officials have already indicated that they will have to reject the US demands, because of political implications about the freeing of imports, particularly for rice.

Haitian sugar refineries to close

By Canute James in Kingston

SUGAR REFINERS in Haiti say they plan to close this weekend because of mounting debts and increasing competition from cheap imports. The closures are likely to affect more than 250,000 workers and farmers in the Caribbean republic.

Weekly metals

All prices as supplied by Metal Bulletin (last week's prices in brackets).

ANTIMONY: European free market, 99.5 per cent, \$ per lb, in warehouse, 2,300-2,330 (2,310-2,340).

LONDON MARKETS

COFFEE FUTURES prices on the London market yesterday stepped out of the shadows with the July position registering a 540 rise to £1,426.50 a tonne.

But after weeks of watching the coffee market languishing near long-time lows traders were wary of being fooled by a false dawn. They said the rise was based on technical factors and that there was no underlying fundamental strength.

INDICES

REUTERS

Table with columns for Apr 14, Apr 13, Apr 12, Apr 11, Apr 10, Apr 9, Apr 8, Apr 7, Apr 6, Apr 5, Apr 4, Apr 3, Apr 2, Apr 1. Includes DOW JONES and S&P 500.

US MARKETS

RELEASE OF the March US trade figures triggered mixed and, at times, aggressive buying in the precious metals, reports Drexel Burnham Lambert.

Good trade commission house and local buying held the markets steady before the trade buying emerged late in the session to accelerate the rise. Cotton futures remained steady on commission house buying; the trade was a noted scale-up seller.

HEATING OIL 42,000 US gallons

Table with columns for Month, Year, High, Low. Includes Heating Oil, Gasoline, and other commodities.

CHICAGO

Table with columns for Month, Year, High, Low. Includes Live Cattle, Live Hogs, and other commodities.

Table with columns for Month, Year, High, Low. Includes Soybean Meal, Soybean Oil, and other commodities.

COFFEE

Table with columns for Month, Year, High, Low. Includes Coffee futures prices.

ALUMINIUM

Table with columns for Month, Year, High, Low. Includes Aluminium futures prices.

SOYABEAN MEAL

Table with columns for Month, Year, High, Low. Includes Soyabean Meal futures prices.

COFFEE

Table with columns for Month, Year, High, Low. Includes Coffee futures prices.

NEW YORK

Table with columns for Month, Year, High, Low. Includes New York market prices.

COFFEE

Table with columns for Month, Year, High, Low. Includes New York Coffee prices.

SOYABEAN MEAL

Table with columns for Month, Year, High, Low. Includes Chicago Soyabean Meal prices.

COFFEE

Table with columns for Month, Year, High, Low. Includes Chicago Coffee prices.

Oman pins its hopes on oil demand rise

BY ANDREW GOWERS, MIDDLE EAST EDITOR, IN MUSCAT

OMAN, one of the non-Opec oil producers which has cooperated with the cartel this year in cutting production to boost prices, hopes to be among the countries allowed an increase in output in the second half of this year to take advantage of an anticipated increase in demand.

Bin Ahmad Bin Said Al Shantari, the Sultanate's Oil Minister, expects demand for Opec oil to increase by about 1m barrels per day (b/d) by the end of the third quarter of 1987, and that members of the cartel and non-members should be permitted to raise production when that happens.

THE NORWEGIAN Government

is proposing an investment in oil and gas fields of Nkr 25bn (£2,250m) a year through to 1995—little more than half the value of the total plans put forward by all companies, writes Karen Fosell in Oslo.

The companies were planning a peak investment of Nkr 40bn in 1991. But Norway's Labour Government is worried that the economy could become overheated if the already dominant oil sector is allowed to expand too quickly.

THE Omani minister

said that even if they were true, it would not make any appreciable difference to the market. He added that the oil companies and customers had been "abused" the extent to which Opec has managed to make its December production agreement stick, and that there had been intense efforts to divide production.

The Omani minister also revealed that the price fall had had a serious effect on Oman's own oil development plans. Basic to develop between 12 and 15 small, high-cost fields had been shelved for the moment, as they would not be economically viable with oil below \$22 per barrel.

COFFEE

Table with columns for Month, Year, High, Low. Includes Coffee futures prices.

POTATOES

Table with columns for Month, Year, High, Low. Includes Potato futures prices.

SOYABEAN MEAL

Table with columns for Month, Year, High, Low. Includes Soyabean Meal futures prices.

GRAINS

Table with columns for Month, Year, High, Low. Includes Grain futures prices.

SOYABEAN MEAL

Table with columns for Month, Year, High, Low. Includes Chicago Soyabean Meal prices.

GRAINS

Table with columns for Month, Year, High, Low. Includes Chicago Grain prices.

Sri Lanka's brimming rice bowl

BY MERVYN DE SILVA IN COLOMBO

IN SPITE of the worst drought since the mid-1950s and the disruption of paddy production in the Eastern Province "rice bowl"—an area seriously affected by the Tamil separatist insurgency—Sri Lanka will not need to import any rice this year.

In 1986, when one seasonal crop was affected by the violence and the drought, the island imported 100,000 tonnes of rice from China and Burma as a buffer stock. There is a balance of 30,000 tonnes left from these imports in addition to the 180,000 tonnes of local rice in the department's stores.

THE Omani minister

said that even if they were true, it would not make any appreciable difference to the market. He added that the oil companies and customers had been "abused" the extent to which Opec has managed to make its December production agreement stick, and that there had been intense efforts to divide production.

The Omani minister also revealed that the price fall had had a serious effect on Oman's own oil development plans. Basic to develop between 12 and 15 small, high-cost fields had been shelved for the moment, as they would not be economically viable with oil below \$22 per barrel.

THE Omani minister

said that even if they were true, it would not make any appreciable difference to the market. He added that the oil companies and customers had been "abused" the extent to which Opec has managed to make its December production agreement stick, and that there had been intense efforts to divide production.

The Omani minister also revealed that the price fall had had a serious effect on Oman's own oil development plans. Basic to develop between 12 and 15 small, high-cost fields had been shelved for the moment, as they would not be economically viable with oil below \$22 per barrel.

SUGAR

Table with columns for Month, Year, High, Low. Includes Sugar futures prices.

SILVER

Table with columns for Month, Year, High, Low. Includes Silver futures prices.

SOYABEAN MEAL

Table with columns for Month, Year, High, Low. Includes Soyabean Meal futures prices.

GRAINS

Table with columns for Month, Year, High, Low. Includes Grain futures prices.

SOYABEAN MEAL

Table with columns for Month, Year, High, Low. Includes Chicago Soyabean Meal prices.

GRAINS

Table with columns for Month, Year, High, Low. Includes Chicago Grain prices.

Handwritten notes and signatures on the right margin.

CURRENCIES, MONEY & CAPITAL MARKETS

FOREIGN EXCHANGES

Trade figures hurt dollar

DISAPPOINTING US trade figures pushed the dollar weaker yesterday although the extent of the decline was restricted by widespread central bank intervention.

US interest rates were firmer, with three-month Euro-dollar rates rising 0.04% to 7.47%.

STERLING - Trading range against the dollar in 1987 is 1.6325 to 1.4718.

£ IN NEW YORK

Table showing exchange rates for various currencies including US Dollar, Swiss Franc, and others.

CURRENCY RATES

Table showing currency rates for various countries like Australia, Canada, Denmark, etc.

CURRENCY MOVEMENTS

Table showing currency movements for various currencies like US Dollar, Swiss Franc, etc.

OTHER CURRENCIES

Table showing exchange rates for other currencies like Argentina, Australia, etc.

MONEY MARKETS

Little change

INTEREST RATES remained steady in London yesterday, showing little reaction to the US trade figures.

UK clearing bank base lending rate 10 per cent since March 15-18

Before lunch the authorities bought £120m bills outright, by way of £14m bank bills in band 2 at 9 1/2 per cent.

unchanged from Monday. The six month Euro figure was \$1.4.

Further opinion polls suggesting a Conservative win at the next general election provided underlying support.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit Rates for various countries.

POUND SPOT - FORWARD AGAINST THE POUND

Table showing Pound Spot - Forward Against the Pound for various currencies.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table showing Dollar Spot - Forward Against the Dollar for various currencies.

EURO-CURRENCY INTEREST RATES

Table showing Euro-Currency Interest Rates for various currencies.

EXCHANGE CROSS RATES

Table showing Exchange Cross Rates for various currencies.

FT LONDON INTERBANK FXING

Table showing FT London Interbank FXing rates.

MONEY RATES

Table showing Money Rates for various currencies.

LONDON MONEY RATES

Table showing London Money Rates for various currencies.

FINANCIAL FUTURES

Liffe trades over 100,000

TRADING WAS hectic on the futures markets in Chicago and London, following publication of the February trade figures.

LIFFE LONG SILVER FUTURES OPTIONS

Table showing Liffe Long Silver Futures Options.

LIFFE US TREASURY BOND FUTURES OPTIONS

Table showing Liffe US Treasury Bond Futures Options.

LIFFE 90-DAY EURO-DOLLAR FUTURES OPTIONS

Table showing Liffe 90-Day Euro-Dollar Futures Options.

LIFFE 3-MONTH STERLING FUTURES OPTIONS

Table showing Liffe 3-Month Sterling Futures Options.

LIFFE 3-MONTH EURO-DOLLAR FUTURES OPTIONS

Table showing Liffe 3-Month Euro-Dollar Futures Options.

LIFFE 3-MONTH STERLING FUTURES OPTIONS

Table showing Liffe 3-Month Sterling Futures Options.

LIFFE 3-MONTH EURO-DOLLAR FUTURES OPTIONS

Table showing Liffe 3-Month Euro-Dollar Futures Options.

revised \$12.3bn in January, was still a disappointment.

LIFFE 3-MONTH STERLING FUTURES OPTIONS

Table showing Liffe 3-Month Sterling Futures Options.

LIFFE 3-MONTH EURO-DOLLAR FUTURES OPTIONS

Table showing Liffe 3-Month Euro-Dollar Futures Options.

LIFFE 3-MONTH STERLING FUTURES OPTIONS

Table showing Liffe 3-Month Sterling Futures Options.

LIFFE 3-MONTH EURO-DOLLAR FUTURES OPTIONS

Table showing Liffe 3-Month Euro-Dollar Futures Options.

LIFFE 3-MONTH STERLING FUTURES OPTIONS

Table showing Liffe 3-Month Sterling Futures Options.

LIFFE 3-MONTH EURO-DOLLAR FUTURES OPTIONS

Table showing Liffe 3-Month Euro-Dollar Futures Options.

LIFFE 3-MONTH STERLING FUTURES OPTIONS

Table showing Liffe 3-Month Sterling Futures Options.

There was a rally ahead of the trade figures, but this was short-lived, as Chicago decided the \$15.1bn deficit was a strong signal to sell.

LIFFE 3-MONTH STERLING FUTURES OPTIONS

Table showing Liffe 3-Month Sterling Futures Options.

LIFFE 3-MONTH EURO-DOLLAR FUTURES OPTIONS

Table showing Liffe 3-Month Euro-Dollar Futures Options.

LIFFE 3-MONTH STERLING FUTURES OPTIONS

Table showing Liffe 3-Month Sterling Futures Options.

LIFFE 3-MONTH EURO-DOLLAR FUTURES OPTIONS

Table showing Liffe 3-Month Euro-Dollar Futures Options.

LIFFE 3-MONTH STERLING FUTURES OPTIONS

Table showing Liffe 3-Month Sterling Futures Options.

LIFFE 3-MONTH EURO-DOLLAR FUTURES OPTIONS

Table showing Liffe 3-Month Euro-Dollar Futures Options.

LIFFE 3-MONTH STERLING FUTURES OPTIONS

Table showing Liffe 3-Month Sterling Futures Options.

There was a rally ahead of the trade figures, but this was short-lived, as Chicago decided the \$15.1bn deficit was a strong signal to sell.

LIFFE 3-MONTH STERLING FUTURES OPTIONS

Table showing Liffe 3-Month Sterling Futures Options.

LIFFE 3-MONTH EURO-DOLLAR FUTURES OPTIONS

Table showing Liffe 3-Month Euro-Dollar Futures Options.

LIFFE 3-MONTH STERLING FUTURES OPTIONS

Table showing Liffe 3-Month Sterling Futures Options.

LIFFE 3-MONTH EURO-DOLLAR FUTURES OPTIONS

Table showing Liffe 3-Month Euro-Dollar Futures Options.

LIFFE 3-MONTH STERLING FUTURES OPTIONS

Table showing Liffe 3-Month Sterling Futures Options.

LIFFE 3-MONTH EURO-DOLLAR FUTURES OPTIONS

Table showing Liffe 3-Month Euro-Dollar Futures Options.

LIFFE 3-MONTH STERLING FUTURES OPTIONS

Table showing Liffe 3-Month Sterling Futures Options.

WestLB

Fixed Income and Equities Trading - for dealing prices call:

- Düsseldorf Westdeutsche Landesbank, Head Office, P.O. Box 1128, 4000 Düsseldorf 1, International Bond Trading and Sales: Telephone (211) 8 26 31 22/8 26 37 41, Telex 8 581 881/8 581 882

One of the leading Marketmakers WestLB Westdeutsche Landesbank

FUTURES & OPTIONS ON FUTURES GOLD & SILVER CURRENCIES FINANCIAL INSTRUMENTS STOCK INDEXES Prompts Execution Guaranteed \$25 ROUND TURN \$15 for trades exceeding 250 contracts per calendar month.

REPUBLIC CLEARING CORPORATION 452 Fifth Avenue, NY, NY 10018 An Affiliate of Republic National Bank of New York A \$16.8 Billion Commercial Bank

Public Notices SEATAS CHARTERING LIMITED NOTICE IS HEREBY GIVEN, pursuant to section 93 of the Insolvency Act 1986, that a meeting of the creditors of the above-named company will be held at Sherlock Holmes Hotel, Baker Street, London, W1, on April 24 1987 at 12.00 noon for the purposes mentioned in sections 99 to 101 of the said Act.

Personal PUBLIC SPEAKING training and speech writing by award winning public speaker, 01-899 6622, Free instant free.

National Australia Bank Limited (Incorporated with limited liability in the State of Victoria, Australia) \$A40,000,000 15 per cent. Notes Due 1990 Issue Price 101 3/4% The following have agreed to subscribe or procure subscribers for the above Notes: Orion Royal Bank Limited, Dresdner Bank Aktiengesellschaft, Security Pacific Hoare Govett Limited, Swiss Bank Corporation International Limited, Algemene Bank Nederland N.V., Banque Internationale à Luxembourg S.A., County NatWest Capital Markets Limited, Deutsche Bank Capital Markets Limited, Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft, Merrill Lynch Capital Markets, Nomura International Limited, Prudential-Bache Capital Funding, Wood Gundy Inc., Banque Bruxelles Lambert S.A., Banque Paribas Capital Markets Limited, Credit Suisse First Boston Limited, Fay, Richwhite (U.K.) Limited, Goldman Sachs International Corp., The Nikko Securities Co., (Europe) Ltd., Norddeutsche Landesbank Girozentrale, Vereins- und Westbank Aktiengesellschaft.

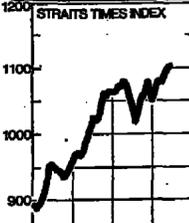
WORLD MARKETS

FT-ACTUARIES WORLD INDICES

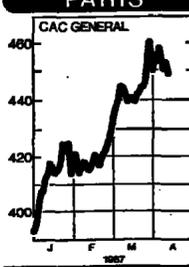
Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries World Indices for Tuesday April 14 1987. Columns include National and Regional Markets, US Dollar Index, Day's Change, Pound Sterling Index, Local Currency Index, Gross Yield, 1987 High, 1987 Low, and Year Ago (approx).

SINGAPORE



PARIS



EUROPEAN OPTIONS EXCHANGE

Table of European Options Exchange data. Columns include Series, Vol., Last, Bid, Ask, and Stock price. Rows list various options for Gold, Silver, and other commodities.

BASE LENDING RATES

Table of Base Lending Rates for various banks and currencies. Columns include Bank Name, Rate, and Currency. Lists include ASB Bank, Citibank, and others.

INVESTING FOR BEGINNERS

By Daniel O'Shea. This book is based on a complete series of articles published in the Investors Chronicle under the heading 'Beginners Guide to the Stockmarket'.

FT CROSSWORD PUZZLE No. 6,304

Crossword puzzle grid with clues. Clues include: 1 In poor health and expired taking the waters (8), 2 Start to impress the opposite sex (3,5), 3 It fully inspires the love of children (8), 4 Association distributing carlet (6), 5 Eternal pursuit of the happy ending (4, 5), 6 Not bound to be licentious (5), 7 Young bird lacking the knowledge to be fashionable (4), 8 Clearly out of this world (7), 9 Answers which may be dispensed with (7), 10 Is such a championship never close? (4), 11 A topping decoration (5), 12 How one takes a pawl, by the way (2, 7), 13 Write down some music? Not a note! (6), 14 A number expelled are downcast (8), 15 Essay right about detective-story writer (6), 16 Wild spree may turn out thus, strong coffee required (8), 17 Withheld payment in harbour (6), 18 Private papers destroyed (6), 19 Italian capital supports a perfume (5).

Order Form for 'Investing for Beginners' by Daniel O'Shea. Includes fields for Name, Address, Postcode, Country, and a section for payment method (Cheque, Credit Card, etc.).

FT UNIT TRUST INFORMATION SERVICE

Large table listing various unit trusts and their managers. Columns include Trust Name, Manager, and other details. Lists include Abbey Unit Trst Mgrs, Alliance Unit Trst Mgrs, and many others.

Handwritten signature or mark at the bottom of the page.

SERVICE

FT UNIT TRUST INFORMATION SERVICE

<p>M&G Unit Trust Managers Ltd 40 Abchurch Lane, London EC4A 3DF</p> <p>MLA Unit Trust Management 15 Cannon Row, London EC2A 3DF</p> <p>Scottish Widows' Fund Management PO Box 900, Edinburgh EH3 6DJ</p> <p>Westlake Unit Trust Managers Ltd (UK) 13 Charlotte St, Edinburgh EH2 2EJ</p> <p>Woolwich Unit Trust Managers Ltd 100 Cannon Row, London EC2A 3DF</p>	<p>Perpetual Unit Trust Mgmt. Co 40 Abchurch Lane, London EC4A 3DF</p> <p>Scottish Funds Mgmt Ltd 13 Charlotte St, Edinburgh EH2 2EJ</p> <p>Westlake Unit Trust Managers Ltd (UK) 13 Charlotte St, Edinburgh EH2 2EJ</p> <p>Woolwich Unit Trust Managers Ltd 100 Cannon Row, London EC2A 3DF</p>	<p>British National Life Assurance Co Ltd 100 Cannon Row, London EC2A 3DF</p> <p>Carlisle Insurance PLC 100 Cannon Row, London EC2A 3DF</p> <p>Barnetmore Fund Managers Ltd 100 Cannon Row, London EC2A 3DF</p> <p>General Accident Linked Life Assurance 100 Cannon Row, London EC2A 3DF</p>	<p>IM Standard Life Assn - Cross 100 Cannon Row, London EC2A 3DF</p> <p>Homeowners Friendly Society 100 Cannon Row, London EC2A 3DF</p> <p>Imperial Life Assn Co of Canada 100 Cannon Row, London EC2A 3DF</p> <p>International GENERALI SpA 100 Cannon Row, London EC2A 3DF</p>
<p>M&G Unit Trust Managers Ltd 40 Abchurch Lane, London EC4A 3DF</p> <p>MLA Unit Trust Management 15 Cannon Row, London EC2A 3DF</p> <p>Scottish Widows' Fund Management PO Box 900, Edinburgh EH3 6DJ</p> <p>Westlake Unit Trust Managers Ltd (UK) 13 Charlotte St, Edinburgh EH2 2EJ</p> <p>Woolwich Unit Trust Managers Ltd 100 Cannon Row, London EC2A 3DF</p>	<p>Perpetual Unit Trust Mgmt. Co 40 Abchurch Lane, London EC4A 3DF</p> <p>Scottish Funds Mgmt Ltd 13 Charlotte St, Edinburgh EH2 2EJ</p> <p>Westlake Unit Trust Managers Ltd (UK) 13 Charlotte St, Edinburgh EH2 2EJ</p> <p>Woolwich Unit Trust Managers Ltd 100 Cannon Row, London EC2A 3DF</p>	<p>British National Life Assurance Co Ltd 100 Cannon Row, London EC2A 3DF</p> <p>Carlisle Insurance PLC 100 Cannon Row, London EC2A 3DF</p> <p>Barnetmore Fund Managers Ltd 100 Cannon Row, London EC2A 3DF</p> <p>General Accident Linked Life Assurance 100 Cannon Row, London EC2A 3DF</p>	<p>IM Standard Life Assn - Cross 100 Cannon Row, London EC2A 3DF</p> <p>Homeowners Friendly Society 100 Cannon Row, London EC2A 3DF</p> <p>Imperial Life Assn Co of Canada 100 Cannon Row, London EC2A 3DF</p> <p>International GENERALI SpA 100 Cannon Row, London EC2A 3DF</p>

INSURANCES

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table listing FT Unit Trusts with columns for Name, Manager, and other details. Includes sections like 'North Star Group of Companies', 'North Star Growth Fund', 'North Star Income Fund', etc.

Table listing London Share Service with columns for Fund Name, Price, and other details. Includes sections like 'BRITISH FUNDS', 'BRITISH FUNDS—Contd', 'FOREIGN BONDS & RAILS—Contd', 'AMERICANS', 'INT. BANK AND O'SEAS GOVT STERLING ISSUES', 'CORPORATION LOANS', 'COMMONWEALTH & AFRICAN LOANS', 'LOANS', 'FOREIGN BONDS & RAILS', and 'Money Market Bank Accounts'.

UNIT TRUST NOTES: Prices are shown unless otherwise indicated and are based on the latest available information. Prices of securities are shown in full pence unless otherwise stated. The value of the unit trust is shown in full pence unless otherwise stated. The value of the unit trust is shown in full pence unless otherwise stated.

LONDON SHARE SERVICE

AMERICANS—Continued

Table listing American stocks with columns for High, Low, Stock, Price, and Bid/Ask.

CANADIANS

Table listing Canadian stocks with columns for High, Low, Stock, Price, and Bid/Ask.

BANKS, HP & LEASING

Table listing banks and hire purchase/leasing companies with columns for High, Low, Stock, Price, and Bid/Ask.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit companies with columns for High, Low, Stock, Price, and Bid/Ask.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road companies with columns for High, Low, Stock, Price, and Bid/Ask.

BUILDING, TIMBER, ROADS—Cont.

Table listing building, timber, and road companies (continued) with columns for High, Low, Stock, Price, and Bid/Ask.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies with columns for High, Low, Stock, Price, and Bid/Ask.

DRAPERY AND STORES

Table listing drapery and store companies with columns for High, Low, Stock, Price, and Bid/Ask.

DRAPERY AND STORES—Cont.

Table listing drapery and store companies (continued) with columns for High, Low, Stock, Price, and Bid/Ask.

ELECTRICALS

Table listing electrical companies with columns for High, Low, Stock, Price, and Bid/Ask.

ENGINEERING—Continued

Table listing engineering companies with columns for High, Low, Stock, Price, and Bid/Ask.

FOOD, GROCERIES, ETC

Table listing food, grocery, and other companies with columns for High, Low, Stock, Price, and Bid/Ask.

HOTELS AND CATERERS

Table listing hotel and catering companies with columns for High, Low, Stock, Price, and Bid/Ask.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies with columns for High, Low, Stock, Price, and Bid/Ask.

INDUSTRIALS—Continued

Table listing industrial companies with columns for High, Low, Stock, Price, and Bid/Ask.

INDUSTRIALS—Continued

Table listing industrial companies (continued) with columns for High, Low, Stock, Price, and Bid/Ask.

INSURANCES

Table listing insurance companies with columns for High, Low, Stock, Price, and Bid/Ask.

Handwritten note: [unclear] not [unclear]

LONDON SHARE SERVICE

INSURANCES—Continued

Table listing insurance companies and their share prices, including Royal Indemnity, Commercial Union, and others.

PAPER, PRINTING—Continued

Table listing paper and printing companies and their share prices, including Newsprint, Paper, and Printing firms.

TEXTILES—Cont.

Table listing textile companies and their share prices, including various spinning and weaving firms.

FINANCE, LAND—Cont.

Table listing finance and land companies and their share prices, including banks and investment firms.

OIL AND GAS—Continued

Table listing oil and gas companies and their share prices, including major energy firms.

MINES—Continued

Table listing mining companies and their share prices, including various metal and coal producers.

LEISURE

Table listing leisure companies and their share prices, including entertainment and media firms.

PROPERTY

Table listing property companies and their share prices, including real estate and development firms.

TOBACCO

Table listing tobacco companies and their share prices.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies and their share prices.

OVERSEAS TRADERS

Table listing overseas trading companies and their share prices.

PLANTATIONS

Table listing plantation companies and their share prices.

THIRD MARKET

Table listing third market trading data and prices.

MOTORS, AIRCRAFT TRADES

Table listing motor and aircraft trade companies and their share prices.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publishing companies and their share prices.

SHIPPING

Table listing shipping companies and their share prices.

SHOES AND LEATHER

Table listing shoes and leather companies and their share prices.

SOUTH AFRICANS

Table listing South African companies and their share prices.

TEXTILES

Table listing textile companies and their share prices.

PAPER, PRINTING, ADVERTISING

Table listing paper, printing, and advertising companies and their share prices.

OIL AND GAS

Table listing oil and gas companies and their share prices.

OVERSEAS TRADERS

Table listing overseas trading companies and their share prices.

PLANTATIONS

Table listing plantation companies and their share prices.

MINES

Table listing mining companies and their share prices.

FINANCE, LAND, etc.

Table listing finance and land companies and their share prices.

TEXTILES

Table listing textile companies and their share prices.

NOTES

Notes section containing various financial notices, company announcements, and market information.

REGIONAL & IRISH STOCKS

Table listing regional and Irish stocks and their prices.

TRADITIONAL OPTIONS

Table listing traditional options and their prices.

LONDON STOCK EXCHANGE

Bonds close strongly but equities end lower after a difficult trading session

Account Dealing Dates

Table with columns for dates from Apr 6 to May 8, detailing account dealing and settlement dates.

"A difficult and confusing day" in the UK securities markets ended on a hopeful note with Government bonds higher and equities rallying...

The FT-SE 100 index closed 8.2 lower at 1987.9, after bouncing between a 23 point fall and a 10 point gain...

Until this stage, there had been little retail interest but the mood then turned optimistic again as the US bond bounced higher...

FT-ACTUARIES INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Large table showing FT-Actuaries Indices for various equity groups and sub-sections as of Tuesday April 14 1987.

FIXED INTEREST

Table showing fixed interest rates for various maturities and instruments, including British Government and Index-Linked bonds.

1st yield, Highs and lows record, base rates, values and constituent changes are published in Saturday issues...

FINANCIAL TIMES STOCK INDICES table showing performance from Apr. 14 to Apr. 15, 1987, across various sectors like Government, Fixed Interest, and Ordinary.

LONDON REPORT AND LATEST SHARE INDEX TEL. 01-246 8026 table showing opening, noon, and closing share indices.

Excelsior, in which Summit Holdings, a company owned and controlled by Mr D. Griffiths, holds a near 50 per cent stake...

Ship Repairs Improved 14 to 14p on the change in stake holding and the unveiling of its aircraft docking system...

LONDON TRADED OPTIONS

Table showing London Traded Options for various commodities and currencies, including calls and puts.

LONDON TRADED OPTIONS (continued)

Table showing London Traded Options for various commodities and currencies, including calls and puts.

holders at 100p per share. Further light profit-taking lowered recently-strong Motor issues.

Property leaders returned to the fore with Land Securities closing 6 higher at 385p and MFCF 3 dearer at 364p following renewed speculative support.

Light profit-taking took a further toll on selected textiles. S. Jerome lost 8 to 177p, while Lament gave up 7 at 288p.

NEW HIGHS AND LOWS FOR 1987

Table listing new highs and lows for 1987 across various sectors like Chemicals, Engineering, and Insurance.

RISES AND FALLS YESTERDAY

Table showing rises and falls in various market categories like British Funds, Corporations, and Financials.

LONDON RECENT ISSUES

Table showing London Recent Issues for various stocks, including prices and changes.

FIXED INTEREST STOCKS

Table showing fixed interest stocks with details on price, yield, and interest rate.

1st yield, Highs and lows record, base rates, values and constituent changes are published in Saturday issues...

TRADED OPTIONS: An increased turnover in Traded Options saw 44,948 deals done, comprising 28,573 calls and 15,375 puts.

Traditional Options: First dealings April 12. Last dealings May 12. Last declaration July 23.

Trading Volume in Major Stocks: The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm.

Table showing trading volume in major stocks, including volume, closing price, and daily change.

RISES AND FALLS YESTERDAY (continued)

Table showing rises and falls in various market categories like British Funds, Corporations, and Financials.

LONDON RECENT ISSUES (continued)

Table showing London Recent Issues for various stocks, including prices and changes.

FIXED INTEREST STOCKS (continued)

Table showing fixed interest stocks with details on price, yield, and interest rate.

1st yield, Highs and lows record, base rates, values and constituent changes are published in Saturday issues...

Handwritten note: "well not 1/2"

WORLD STOCK MARKETS

AUSTRIA table with columns for Stock, Price, and Change.

GERMANY table with columns for Stock, Price, and Change.

NETHERLANDS table with columns for Stock, Price, and Change.

FRANCE table with columns for Stock, Price, and Change.

NORWAY table with columns for Stock, Price, and Change.

SPAIN table with columns for Stock, Price, and Change.

SWEDEN table with columns for Stock, Price, and Change.

ITALY table with columns for Stock, Price, and Change.

FINLAND table with columns for Stock, Price, and Change.

NETHERLANDS table with columns for Stock, Price, and Change.

AUSTRALIA (Continued) table with columns for Stock, Price, and Change.

HONG KONG table with columns for Stock, Price, and Change.

JAPAN table with columns for Stock, Price, and Change.

SINGAPORE table with columns for Stock, Price, and Change.

SOUTH AFRICA table with columns for Stock, Price, and Change.

CANADA

TORONTO Prices at 2:30pm April 14 table with columns for Stock, High, Low, and Change.

WE REGRET that Toronto closing prices were not available for this edition due to communication problems.

MONTREAL Closing prices April 14 table with columns for Stock, High, Low, and Change.

OVER-THE-COUNTER Nasdaq national market, closing prices

Large table of over-the-counter stock prices with columns for Stock, Price, and Change.

NEW YORK STOCK EXCHANGE

Table of New York Stock Exchange indices and stock prices.

Indices

Table of various international stock indices.

FINANCIAL TIMES EUROPEAN BUSINESS NEWSPAPER logo and text.

LONDON Chief price changes (in pence unless otherwise indicated) table.

TOKYO - Most Active Stocks table.

Special Subscription HAND DELIVERY SERVICE of the FINANCIAL TIMES EUROPEAN BUSINESS NEWSPAPER in FRANCE advertisement.

NYSE COMPOSITE CLOSING PRICES

AMEX COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices. Columns include Stock, High, Low, Last, and Change. Includes sub-sections for Continued from Page 50, R, S, T, U, V, W, X, Y, Z, and Unl.

Table of AMEX Composite Closing Prices. Columns include Stock, High, Low, Last, and Change. Includes sub-sections for D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

OVER-THE-COUNTER Nasdaq national market, closing prices

Table of Over-the-Counter Nasdaq national market closing prices. Columns include Stock, High, Low, Last, and Change. Includes sub-sections for A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Advertisement for Financial Times: 'For morning delivery of the FT in major business centers coast-to-coast, call 212-752-4500. Hand delivery to home or office is available in Atlanta, Boston, Chicago, Dallas, Detroit, Miami, Minneapolis, Houston, Los Angeles, New York, Philadelphia, Pittsburgh, Seattle, San Francisco, Washington, Montreal, Ottawa, Toronto, Vancouver. Please call for details between 9am-6pm New York Time. FINANCIAL TIMES Because we live in financial times.'

